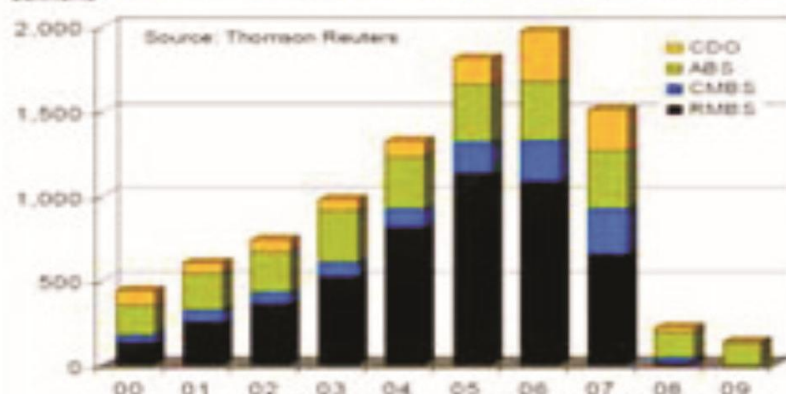


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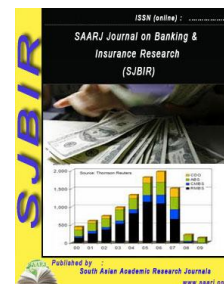
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HUMAN RESOURCE MANAGEMENT AND LEARNING CAPABILITIES IN NEPALESE COMMERCIAL BANKS

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ABSTRACT

Purpose: This paper aims to empirically examine the linkages between best human resource management (HRM) practices, organizational learning capability (OLC) and organizational performance (OP). The proposed framework and findings intend to add to the understanding of the specific processes that mediate between best HRM practices and OP in Nepalese context. **Design/methodology/approach:** A survey research strategy was followed to carry out the research. The sample frame for this study consisted of the officer level employees from 11 Nepalese commercial banks. The final research sample consisted of 252 respondents. Structural equation modeling (SEM) technique was used to test the model and analyze the data. **Findings:** This paper proposes an answer to how best HRM practices can influence performance. Results indicate that best HRM practices affect OLC and OP significantly. Further, OLC also affects OP significantly. The results of this study also revealed that OLC mediates the relationship between HRM and OP partially. Further, the result also showed that the effect of best HRM practices to OP through OLC is stronger than its direct effect showing the significant impact of OLC in HRM- OP relationship. **Research limitations/implications:** Use of cross-sectional data, relatively small sample size, use of subjective measurement of HRM practices, OLC and OP are the possible limitations of the study. **Practical implications:** This study portrays the mechanism through which HRM contributes towards better OP. It can help human resource practitioners and/or managers to understand better the importance of OLC in the way best HRM practices affect OP. **Originality/value:** This paper attempts to explore and test the processes through which HRM practices influence organizational performance. Moreover, the value of the human factors in enhancing organizational learning initiatives for organizational performance is explored. The proposed mechanism will help Nepalese HR practitioners to design their HRM policies and practices towards enhanced OP. This study is particularly important in Nepalese context where organizations are still reluctant to invest in innovative HRM practices.

KEYWORD: *Human Resource Management, Organizational Learning Capability, Organizational Performance, Commercial Banks*

1. INTRODUCTION

The success of modern organizations is built upon organizations' and individuals' speeding learning. Thus, learning in organization is the key for organizations to sustain competitive advantages. Organizations striving in today's fast changing marketplace are facing the need to have employees who know how to learn and who can quickly retool and be ready for new challenges (Jude-York, 1991). HRM practices play a unique role in OL (Jaw & Liu, 2003). The learning organization attracts and retains the best talent by entering into a psychological contract with its employees that motivates them to generate knowledge in return for nurturing and nourishing their professional skills (Thite, 2004).

Organizational learning is a basis for gaining a sustainable competitive advantage and a key variable in the enhancement of organizational performance (OP) (Dodgson, 1993). Firms that are able to learn stand a better chance of sensing events and trends in the marketplace (Day, 1994; Sinkula, 1994).

The literature highlights that studies on HRM and performance are mostly conducted in developed economies. Few investigations on this issue may be found in other parts of the world, especially in emerging economy such as China and in transitional economies such as Slovenia (Deng et al., 2003).

Most of the Nepalese organizations are still not aware of the fact that competitiveness can be enhanced only through invisible assets that are embodied in human resource (Adhikari, 2005). This study highlights the mechanism through which best HRM (HRM only hereunder) can contribute towards organizational effectiveness as such study has been reported so far in Nepalese context. Most of the HR researches in Nepal are based on individual practices. There is dearth of Nepalese HR studies conducted on configurationally perspective on best practice model.

The present study focuses Nepalese banking industry whose performance is satisfactory compared to other industries in terms of its expansion as well as profitability. The satisfactory level of performance of this sector invites researchers to investigate the contribution from the side of HRM. Another crucial issue in this regard would be how far learning capability of the organizations mediates the relationship between HRM and performance. Commercial banks are studied as the banking environment is highly volatile and changing rapidly over the years with the change in economic, technological, legal and social factors and their success depends on how they learn and act.

2. Literature Review: the Mediating Role of OLC between best HRM and OP

The best HRM practices are those practices which can outperform in any contest and type of organization highlight the increased improvement in employee decision making and the improvement in employee motivation and commitment (Boxall & Purcell, 2003). A positive relation between these practices and competitive advantage is reported in most cases (Guest et al., 2003). The best HRM practices have the potential to bring about improved OP for all organizations (Marchinton & Wilkinson, 2003).

Though the literature provides empirical support for a positive relationship between HRM and OP, its mechanism is a longstanding issue of debate. It is asserted that HRM practices are likely to

influence internal resources and capabilities, and these interactions will eventually determine non-financial and financial outcomes (Combs et al., 2006; Jiang, Lepak, Hu & Baer, 2012). This means that HRM influences organizational outcomes sequentially, and HRM practices act as enablers of different internal variables that mediate the relationship between HRM practices and firm performance (Paauwe, 2009). Previous works have developed models analyzing the mediating effect of knowledge and other variables related to knowledge, such as knowledge transfer or knowledge management capacity.

Collins & Smith (2006) tested a model of how commitment-based HR practices affect the social climate that influences knowledge exchange and, thus, firm performance. López-Cabralés, Pérez-Luño, and Valle-Cabrera (2009) also tested an HR practices-firm performance model using a sample of innovative Spanish companies. Their results did not support the direct effect of HR practices on performances, but they provided evidence that unique knowledge mediates the effect of collaborative HR practices on a company's innovative capability. Chen and Huang (2009) focused on the mechanisms that organizations use to acquire, share and apply knowledge and they developed a study with a sample of Taiwanese firms, providing evidence that knowledge management capacity plays a mediating role between a set of strategic HR practices and innovation performance. While they only found a direct effect of some HR practices on innovation performance, their results support the direct mediating role of knowledge management capacity.

The work of Kuo (2011) shows only an indirect mediating effect of organizational learning in the relationship between HRM and perceptual measures of non-financial performance (product or service quality; employee attraction and retention; customer satisfaction and management/employee relationship). Hooi and Ngui (2014) provide evidence that HRM enhances the performance by strengthening their OLC. They find a direct mediating effect of OLC in the HRM-performance relationship using perceptual measures of financial performance (sales growth, market share, profitability and rate of new product development).

Su (2010) through an empirical study proves that, for Chinese enterprises, employees' role behavior is the intermediary variable between HRM and enterprise performance. Xing (2012) concludes that a high-performance HRM system forms independent innovation ability and enterprise, and external environment dynamic matching can improve the performance of enterprises. Yao (2013) through empirical research to verify the mediating effect of organizational learning ability between high-performance work systems and firm performance shows that OLC and its two sub-dimensions between high-performance work systems and firm performance relationship played a part of the intermediary role. Wu (2014) found that strategic implementation capacity can achieve efficient intermediary function in high-performance human resources management influencing the firm's performance. Zheng (1991) finds that HRM under an innovative culture results in better performance. De Kok and Den Hartog (2006) take innovation as the mediating variable in the relationship between a high-performance work system and employee productivity. Other mediating variable in HRM-performance link are characteristics of people, (Youndt, 1998; Park et al., 2003), strategic implementation capacity (Zhang & Li, 2008), management and organizational learning knowledge, (He & Peng, 2008), employees' role behavior Su (2010a), innovation (Xing, 2012; De Kok & Den Hartog, 2006).

No Nepalese study has been reported so far investigating the relationship between HRM and OP with mediating effects of any variable.

TABLE 1: SUMMARY OF THE STUDY USING MEDIATING VARIABLE BETWEEN HUMAN RESOURCE MANAGEMENT AND ORGANIZATIONAL PERFORMANCE

Contributions	Mediating Variable	Key Themes
Combs et al.(2006), Jiang et al.(2012)	Internal resources and capabilities	HRM practices are likely to influence internal resources and capabilities, and these interactions will eventually determine non-financial and financial outcomes.
Paauwe (2009)	Internal variables	HRM practices act as enablers of different internal variables that mediate the relationship between HRM practices and firm performance.
Collins & Smith, (2006)	Social climate	Commitment-based HR practices affect the social climate that influences knowledge exchange and, thus, firm performance.
López-Cabrales et al. (2009)	Unique knowledge	Unique knowledge mediates the effect of collaborative HR practices on a company's innovative capability.
Chen and Huang (2009)	Knowledge management capacity	Knowledge management capacity plays a mediating role between a set of strategic HR practices and innovation performance.
Kuo (2011)	Organizational learning	Organizational learning mediates the relationship between HRM and perceptual measures of non-financial performance indirectly.
Hooi and Ngui (2014)	Organizational learning capability	Finds a direct mediating effect of OLC in the HRM-performance relationship using perceptual measures of financial performance (sales growth, market share, profitability and rate of new product development).

3. Conceptual Model and Research Hypotheses

OP is primarily a product of firm-specific capabilities emerging from the best HRM practices which are exercised at both strategic and operational levels of any company with one or multiple businesses. Best HRM practices are expected to enhance OP (Huselid, 1995; Pfeffer, 1998) by promoting inimitable attributes in HR (Barney, 1991; Redman & Wilkinson, 2001). Those inimitable attributes are mainly the end outcomes of OL processes (Jaw & Liu, 2003; Sharma & Khandekar & Sharma, 2005) and are mutually self-supporting (Pemberton & Stonehouse, 2000; Loermans, 2002; Gorelick & Tantawy-Monsou, 2005). It is viewed that OL constitutes the infrastructure of the organizational knowledge base creation (Loermans, 2002). OL leads to the production (creation) of knowledge-based assets, which in turn lead to better OP.

Based on the above theoretical ground, the following hypothesized model was developed. This model is valuable as it reflects the factor that appears to play its own unique role, as mediating processes, in the HRM practices-performance relationship.

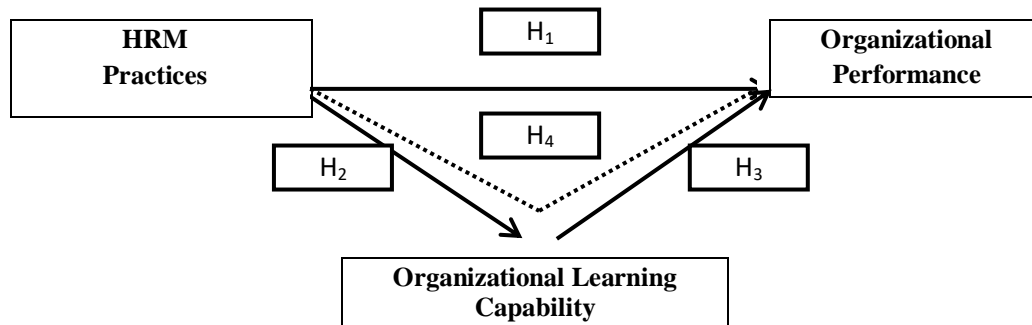


Figure 1: Hypothesized research model

On the basis of the above hypothesized model, four hypotheses are proposed.

Hypothesis 1 (H₁): HRM practices positively influence OP.

Hypothesis 2 (H₂): HRM practices have a positive influence on OLC processes.

Hypothesis 3 (H₃): OLC positively influences OP.

Hypothesis 4 (H₄): OLC mediates the relationship between HRM practices and OP.

This study is based on theoretical perspectives: human capital theory, resource based theory, universalistic perspective and configurational perspective to underpin the relationship between HRM and OP.

3. DESIGN/METHODOLOGY

This study has followed casual research design. The population was 28 Nepalese commercial banks, out of which 11 (out of which three were publicly owned banks) were selected as samples. The informants were the middle and top level employees of the sample banks from both branch and corporate (head) office who were expected to have better knowledge and understandings of the existence of HRM practices, OLC and OP in their respective organizations. The names of the top and middle level employees of the sample organizations were collected from their respective HR departments and questionnaires were distributed to them randomly to minimize the sampling errors.

The HRM practices were measured through eight dimensions (Selective hiring, Teamwork, Workers' involvement in problem solving, Compensation and promotion based on performance, Internal career opportunities, Training and development, Job security and Broadly defined job descriptions), OLC measured through three dimensions (Commitment to learning and empowerment, Systems perspective and clarity of purpose and mission and Openness and experimentation) and finally OP with two dimensions (Market performance and employee commitment).

The questionnaire items were discussed with two HR managers and two senior bank managers and are revised and modified on the basis of their advices and suggestions. All the items of questionnaire are in likert scale ranging as one strongly dissatisfactory to seven strongly satisfactory. Finally, the questionnaire is pretested with 20 senior level employees selected randomly from the sample banks. It was performed to establish content validity (Zikmund,2003).

The data were collected using questionnaire based on Likert scale which was pretested with 20 senior level employees selected randomly from the sample banks. Altogether 410 questionnaires were distributed, out of this 269 questionnaire returned, the response rate being 66% which may be taken highly satisfactory in survey research design. Altogether, 17 questions were removed as they were not in usable forms due to multiple non-responses. Finally, 252 responses were used for final analysis.

Structural Equation Modeling was used for model building and testing. According to Kline (2005) a typical sample size in studies where SEM is used is about 200 cases. Hence, the number of response of this study may be regarded as satisfactory for SEM. Different model fit measures were used for assessing reliability and validity.

4. Data Analysis

4.1 Model Building

The development of the measurement models of HRM Practices, OLC and OP was done at two ways- exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). EFA identified factors model of the study constructs. Some items were removed because of their low loadings to any factor or cross loadings to other items.

After EFA, CFA was done at two steps. In the first step, first order CFA of different dimensions of the study constructs was done to check the unidimensionality. The second order CFA is done to check whether the first-order factors estimated actually represent sub-dimensions of a broader and more encompassing second-order factors i.e. HRM, OLC and OP.

After the second order CFA, the final structural model linking HRM practices and OP with the mediating effect of OLC was developed. The model consisted of three constructs with 13 sub-constructs (dimensions). The construct HRM retained eight dimensions with 30 observed items (Eight dropped). OLC retained all three constructs with 10 observed items (Two dropped). Finally, OP retained both the constructs with 10 observed items (Two dropped).

TABLE 2: SUMMARY OF EFA AND CFA ANALYSIS

Analysis	EFA			CFA (1 st Order)			Final Model (CFA 2 nd Order)		
	Initial items	Final Items	No of Dimen sions	Initial items	Final Items	No of Dimen sions	Initial items	Final Items	No of Dimensi ons
HRM	41	38	8	38	33	8	33	30	8
OLC	12	12	3	12	11	3	11	10	3
OP	13	12	2	12	10	2	10	10	2

After developing the structural model, it was evaluated using the model fit indices namely CMIN/DF, CFI, SRMR and RMSEA. All these indicators showed that the final model was suitable to test the relationship between HRM practices and OP in Nepalese commercial banks.

The structural model with three constructs was developed to test model fit and estimate parameters. HRM practices are exogenous variables similar to independent variables. The OP is endogenous, similar to dependent or outcome variables. OLC is both exogenous and endogenous variables. The structural equation model was created and tested using AMOS software. The final structural model is presented in figure 2.

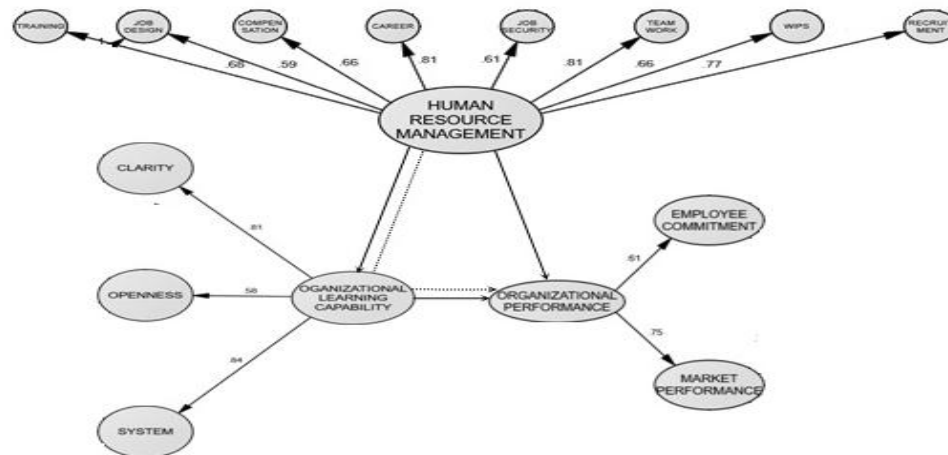


Figure 2. Overall structural model for Nepalese commercial banks

The model fit indices of final SEM namely CMIN/DF (2.135), CFI (0.901), SRMR (0.081) and RMSEA (0.068) all are above the recommended threshold levels.

4.2 Analysis

This main purpose of this study is to explore the relationship between HRM practices and OP in Nepalese commercial banks with the mediating effects of OLC. Four different hypotheses were developed and tested.

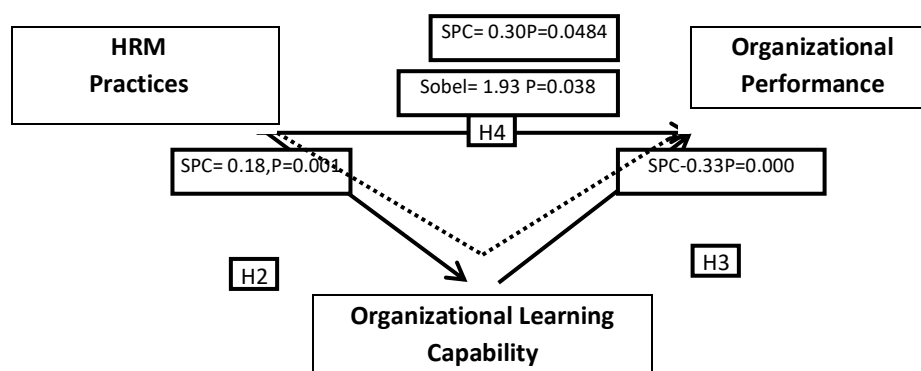


Figure 6. Direct and indirect effect of HRM on performance

The relationship between HRM practices and OP was found significant (SPC - 0.30, P - 0.010). Hence, H₁ (HRM practices positively influence OP) was accepted. This relationship is consistent with the previous researches. For example, Theriou and Chatzoglou (2008) found positive and significant relationship between HRM practices and OP in Greek tertiary and commercial firms. In a similar manner, Lin and Kuo (2007) found significant relationship between HRM and OP in the training centers of different firms in Taiwan. Likewise, the result of structural equation modeling showed that HRM and OLC are significantly and positively associated with each other (SPC= 0.18, P=0.001). Hence, H₂ (HRM practices have a positive influence on OLC processes) was also accepted. The result is consistent with most of the previous studies where the researchers (Theriou & Chatzoglou, 2008; Lin & Kuo, 2007; Khandekar & Sharma, 2005; Kang et al., 2007; Minbaeva,

2005; Lopez et al., 2006, Kuo, 2011) concluded that HRM plays a pivotal role in facilitating OLC. The relationship between OLC and OP is found significant (SPC-0.33, P= 0.000) and H₃ (OLC positively influences OP) was also accepted. This relationship is consistent with the previous studies (Lin and Tseng, 2005; Lee and Lee, 2007; Shakya, 2014).

The analysis of the relationship between the study construct reveals that the exogenous variable (HRM) has a statistically significant impact on the mediating variable (OLC) (SPC= 0.18 P=0.001). Similarly, the mediating variable (OLC) significantly affects the endogenous variable (OP) (SPC-0.33 and P = 0.000). Finally, the direct path between the exogenous variable (HRM) and endogenous variable (OP) is statistically significant while controlling and adding the mediating construct (SPC - 0.30 and p - 0.010). Hence, the result supports partial mediation by OLC in HRM-OP relationship.

The strength of the relationship between HRM and OP is reduced when the mediator variable i.e. OLC is added. It reduced to 0.26 from 0.3; hence, it further provides evidence that there is partial mediation by OLC in HRM-OP relationship.

Sobel (1982) test was also conducted to test the significance of the partially mediated path. The test value (Z =1.93) was between +1.96 and -1.96. It reveals that the mediator (OLC) carries the influence of the independent variable (HRM) to the dependent variable (OP). HRM has direct effect on OP. However, it has an indirect effect through OLC as well. Hence, H₃ (OLC mediates the relationship between HRM and OP) was accepted.

The outcome of this study regarding the mediating effect of OLC in HRM-OP relationship is consistent with previous studies. For example, Kuo (2011), based on a sample of 208 employees of different Taiwanese technological companies, showed an indirect mediating effect of organizational learning in the relationship between HRM and perceptual measures of non-financial performance. Hooi and Ngui (2014) found a direct mediating effect of OLC in the HRM-performance relationship using perceptual measures of financial performance (sales growth, market share, profitability and rate of new product development). Yao (2013) verified the mediating effect of organizational learning ability between high-performance work systems and firm performance. Lin and Kuo (2007) based on financial training centers in Taiwan, showed HRM influences OP indirectly through OLC.

5. DISCUSSION

This study has made an important contribution in understanding the relationship between HRM and OP in context of Nepal that bears a different socio-economic context. The mediating effects of OLC in the relationship between these two concepts in Nepalese context had never been examined before. The tested model combines different concepts that can help the financial sectors in Nepal to be aware of the relationship between these concepts and understand the necessity to link their HRM initiatives with OLC for enhancing their performance. It can help organizations in the financial sector in Nepal to become aware of the relationship and understand the necessity to integrate their HRM initiatives in OL, in order to achieve increased performance. The main theoretical contributions of this study include:

- This study tests a new composite model that identifies critical enabling factors of the best HRM-OP relationship empirically.

- This study has further contributed in understanding the value of human factor in OLC initiatives and finally on OP. The proposed HR system portrays important concepts that can influence HR practitioners' ways of thinking about HR practices.
- This study also portrays that OLC makes significant impact on OP irrespective of its weak state and being an emerging concept in case of Nepal. It helps to enrich the literature of HRM-OP relationship from the perspective of Nepalese context.

The significant positive relationship between HRM and OLC implies that OLC in Nepalese commercial banks are dictated by their HRM policies and practices irrespective of its weaker state (All three dimensions of OLC were perceived not to be in satisfactory state i.e. mean<4). The mediation of OLC between HRM and OP demands the organizations to focus their HRM initiatives towards building OLC for the enhancement of OP. The direct as well as indirect effect on OP by HRM shows that HRM is central in OP enhancement in Nepalese commercial banks. The outcome is particularly important in Nepalese context where organizations are found to be reluctant in investing in innovative HRM as they are still not convinced that HRM is a direct source of performance improvement (Adhikari, 2005).

This study revealed that the effect of HRM on OP through OLC (HRM-OLC-OP) is stronger than its direct effect (HRM-OP). It implies that all HRM policies or activities of the commercial banks should be designed to facilitate OLC; otherwise superior OP may not be achieved from the policies or activities of HRM alone. Hence, banking executives should focus on promoting a healthy environment for nurturing OL, as well as formulating effective OL policies and facilitate their implementation so as to maximize the total effects on OP. In other way, conditions need to exist in the organization for having the right learning environment, or learning climate as stated by Pedler et al. (1997).

- All employees are encouraged to learn and share what they have learned with other employees;
- Systems are established in areas of the organization that require learning; and
- Learning is valued and rewarded in the organization.

This study particularly revealed a weak state of OLC in Nepalese commercial banks. Irrespective, OLC is found to affect OP directly as well as through HRM. Hence, the HR practitioners in Nepalese commercial banks need to focus on improving OL practices through proper structure, mechanism, and processes for an enhanced and sustainable OP. Supportively, practicing strategic HRM could promote more dynamic and collaborative learning processes along with active decision-making involvement, which in turn have an impact on the firm's collaborative creativity. Ultimately, organizational creativity would be another core foundation for OP in terms of process innovation and new product development (Škerlavaj, Song, & Lee, 2010). Hence, it is necessary for Nepalese organizations design their HRM system and policies so as to achieve the primary roles of the learning organization as stated by Senge (1990).

- Supporting members to share ideas to create applicable knowledge,
- Encouraging members' motivation and willingness to collaborate for the team learning process,
- Providing strategic leadership to visualize shared vision and mission, and
- Ensuring the mental model-based continuous informal learning process.

HRM should focus on providing and ensuring a supportive work climate to encourage the employees' continuous learning process by providing internal career development opportunities, competency-based training implementations, a performance-based reward system, and participation in the decision-making process (Ju & Lee, 2006) as HRM management practices used by an organization have the potential to influence people's attitude towards learning (Theriou & Chatzoglou, 2008).

6. Limitations and Directions for Future Research

This study has a number of limitations. First, given the use of cross-sectional data, causality cannot be inferred. It may take a longer time to materialize the relationship between HRM, OLC and OP. Future studies may employ a longitudinal research design that examines the relationship between HRM and OP to capture the time lag effects necessary to realize the benefits of HRM.

Another notable limitation of this study is its exclusive use of perceptual measures. The subjective measures of firm performance were used to test the model. Future studies can use both objective and perceptual measures of performance/satisfaction, making it possible to compare executives' perceptions of results to the real findings. This would allow drawing more reliable conclusions about the influence of organizational learning on business performance within a single industry.

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THE COVID-19 PANDEMIC AND ADMINISTRATIVE PRACTICES IN THE BANKING SECTORS: AN INTERNATIONAL PERSPECTIVE

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ABSTRACT

The COVID 19 crisis came to cast a shadow on all business sectors, including the banking sectors that play a sensitive role in any economy, therefore these institutions are trying to prepare new plans and work regulations to contain the risks of this epidemic and avoid the risk of failure and bankruptcy. Using an inductive approach to the reality of the global banking industry, this paper sought to review the current practices of these institutions and discuss new work prospects in light of the continuing outbreak of the epidemic according to three main dimensions: protection of staff, Business continuity, and supporting the most affected private sector. The study concluded by stressing the ability of the financial institutions and their solidity to absorb the effects of the crisis and the integrity of the procedures followed to ensure the continuity of work during quarantine and the protection of employees and contribute to supporting the sectors most affected. The study presented several proposals, the most important of which is the addition of the epidemic risks within the systemic risks affecting the entire banking sector.

KEYWORDS: Administrative Practices, Banking Sector, COVID-19, Risk Management, Work Plan.

1. INTRODUCTION

The Corona epidemic has greatly affected the international business environment as a whole, including financial institutions that play a sensitive role in the economy and society as these institutions are the wheel of development for any country because they require providing their vital activities even in the worst conditions in the world today. In light of the economic and social repercussions and the globally imposed quarantine, banks faced a real challenge in three different areas: to continue to provide essential financial services to the public in the current situation, the second challenge is to maintain the integrity of the human resource which represents the true wealth of any institution, and the third challenge the vital role of the financial system is to support business sectors most affected by the epidemic. These challenges arise from the nature of banking services, which are characterized by a different sensitivity from other service institutions where ongoing operations require dealing with supporting material documents such as clearing services and others that are difficult to provide remotely to ensure the integrity of the financial system. This represents a challenge for banks to prepare a new business strategy that depends on the use of digital technology and provides skilled human expertise. This strategy must be digitally prepared and secure at the same time to include all financial services that banks deal with to be implemented remotely (Tatuev et al., 2020). The greatest role falls on the senior leadership and related departments in those institutions in preparing the new work plan and defining the necessary procedures and measures by rescheduling the tasks of the human cadre in those institutions in proportion to the reality imposed by this epidemic. Here the bulk of the tasks fall on risk management, human resource management, and information technology management as effective departments in providing a clear business strategy that achieves employee safety and ensures continued service remotely.

Many institutions are trying to prepare a business plan to avoid the risk of failure and bankruptcy and ensure the continuity of the organization's work, and reduce the effects imposed by the epidemic such as sudden layoffs, job cuts, or failure to pay salaries, in addition to not giving employees unpaid leave (Seetharaman, 2020). This paper contributes to a review of administrative practices in financial institutions and their role in reducing business interruption and avoiding the major economic and human losses that could lead to bankruptcy. This paper seeks to shed light on the role of banking sectors in reducing the repercussions of the COVID 19 crisis on the continued work of the banks themselves and on the various business sectors in the market from a global perspective using the inductive approach to the reality of the global banking industry. By reviewing the actual practices of managing banks during the health crisis and the role required of them in light of the continued outbreak of the epidemic, with examples of some administrative practices in some financial institutions in many affected countries.

2. LITERATURE REVIEW

Due to the novelty of the topic, there are a few previous studies that examined the influence of C-19 on management practices in financial institutions, where we found limited contributions, some of which are articles published in academic journals and newspapers online or on the websites of the institutions themselves. Tatuev et al. (2020) identified the organizational and technological priorities of the Russian banking sector today, stressing the importance of applying new rules related to developing the digital work of banks to achieve widespread financial services. Carnevale and Hatak (2020) discussed the most important challenges facing human resources management due to Covid-19 as one of the risks associated with the uncertainty that the company must hedge from it by adjusting the remote work policy, as the most important challenge facing resource

management because it requires the ability to adapt to an environment new work. Human resource management is critical to the success of the banking sector as it works to apply effective best practices, enhance human competencies and adapt to the work environment, especially in the complex reality of rapid change by the day (Mehta, 2016). a study of Gupta (2020) showed the strong competition faced by Indian banks regarding human resources management practices to achieve high-performance indicators that are in line with industry standards and achieve the required role in the current conditions. Sujan, (2020) indicated to the growing growth of India's GDP, which has become the world's first at 7.4%, as the banking sector is one of the sectors that have achieved high-performance indicators, this is a challenge for bank management to keep pace with this progress by reallocating individual jobs in proportion to the continuous progress in this sector. The study by Seetharaman, (2020) examined the impact of Covid-19 on the dense industries that provide the products people need daily according to the characteristics, nature of products, and density of information for operations. These industries require a new business strategy that relies on the use of technology to ensure the continuity of these industries. Banks face a huge challenge and intense competition as they operate in the era of digitization, which relies heavily on the use of information technology, the success of these banks is a reflection of the initiative and role of members of the management team because they require technical skills and expertise to ensure the achievement of better performance indicators and to overcome unexpected crises (Ratulangi, 2020). The study of Das and Chaurasia(2020) addressed the challenges of human resources in the public and private sectors in India, where it concluded that there are many challenges, the most important of which is the lack of sufficient experience for bank employees in the public sector to keep pace with the rapid development in the banking sector due to the non-stimulating work environment. According to Rizwan, et al. (2020), the Covid-19 crisis was categorized as the systemic risk that caused significant pressure on all banking sectors, especially in the eight countries most affected by the epidemic, as its recession indicators rose except for China, which showed an early recovery through Take strict administrative measures and evaluate them as part of the systemic risks facing the banking sector. Also, Seelyeand Ziegler (2020) considered this epidemic among the systemic risks that banks must hedge from as it affected the financial services industry in America, which increases the expectations of banks failure if the financial authorities do not interfere to develop administrative policies to avoid loan and capital risks That may extend to American citizens and corporations as a whole.

3. CURRENT DIMENSIONS AND PRACTICES

The Corona epidemic represents the most difficult challenge in managing banks in various countries of the world, prompting officials in those institutions to adopt a new approach in line with the requirements of the current crisis. This approach is based on three main considerations: employee health and safety continued provision of banking services and support to the affected sectors.

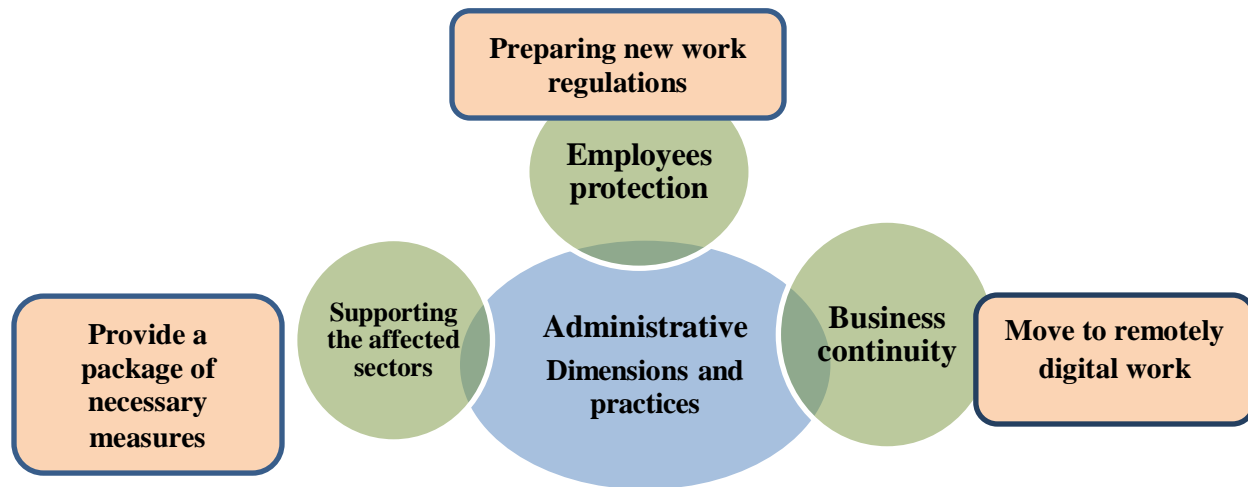


Figure 1: Administrative Dimensions and practices during the COVID-19 epidemic.

The new approach has been represented in many of the practices, policies, and procedures taken by the bank's management in proportion to the nature and sensitivity of the banking business, which ensure successful conditions in maintaining the productive workforce in this difficult period and ensuring business continuity, which contributes to the continuation of the activities of individuals and companies together. The vital and strategic role of bank leadership in light of the Corona crisis can be highlighted in the following points:

3-1. Employees protection

The human resources department of financial institutions has been able to enhance the health support methods available to employees and their families, through obtaining virtual care by the institutions themselves by providing many alternatives such as providing awareness and health assessment in clinics or near the workplace and bear the costs of quarantine care, in addition to supporting mental health. Telemedicine and digital health are also good options available to manage these organizations to maintain employee safety and health (BCG, 2020). Banks have also modified existing workplace policies and procedures such as working remotely (from home), reducing working hours, changing work conditions, holding meetings via web technologies, and adopting different methods of workforce management, which ensure successful conditions in maintaining the productive workforce in these the difficult period. Many other organizations have created additional features that allow seamless work to support their workforce (Carnevale & Hatak, 2020).

3-2. Business continuity (Move to remotely digital work)

In light of the quarantine imposed by the epidemic and the implementation of some preventive measures such as social distances, the banks' focus remained on continuing to present their ongoing operations, which are difficult to provide from a distance, this is another challenge for bank management, hence the role of the Information Technology Department, which contributed significantly to mitigating the consequences this is the problem. It facilitated and developed the use of regular communication technologies via the Internet to perform tasks remotely, and facilitated the process of coordinating tasks and exchanging information between work teams, which allowed employees to use the tools available online from their homes to continue to provide financial

services to clients(Tatuev et al., 2020). The Human Resources Department worked in cooperation with the Information Technology Department to prepare training programs for employees to work remotely. Job search activities will also take place due to this crisis as demand for high-tech applicants increases to keep pace with the digital work that the current situation requires(Karven, M., 2020).

3-3. Supporting the affected sectors

The banking sector has proven its ability to withstand the health crisis and overcome negative impacts such as the inability of some debtors to pay due to having preventive reserves that enable it to withstand the crises but was able to provide some support to the sectors most affected by this epidemic by continuing to provide bank loans For affected companies. In addition to adopting a package of regulatory measures derived from the country's public finances, such as rescheduling the loan portfolio temporarily for insolvent borrowers until the economy returns to recovery, reconsidering borrowing guarantees, providing subsidies to allow these companies to recover and continue production.(Nicola et al., 2020);(International Monetary Fund, 2020)

4. PROSPECTS OF ADMINISTRATIVE PRACTICES DURING AND AFTER THE COVID- 19.

During the current crisis, efforts must join hands inside and outside the banks themselves, in broad coordination with the relevant government agencies. This is done through activating the role of the various departments within banks such as financial risk management, human resources, and information technology as an active partner for the senior leadership in crisis management by moving from the role of routine executive procedures to the transformative role to formulate a clear strategy that evaluates reality and creates solutions according to three main dimensions: experience, innovation and orientation Strategic(Baldwin & Weder, 2020). According to recent studies, there are some points on which the leadership of the banks should focus when setting their new strategy, through which they can first help themselves and then the various business sectors to overcome the crisis and limit the negative harms.



Figure 2: Prospects of Administrative practices in the banking sector.

4-1. Leadership

Bank leaders must be able to understand the challenges facing organizational leadership and formulate the best possible solutions (Al-Farra, T., 2020). Today, after this epidemic has destroyed many companies and institutions, the leaders of departmental managers must be seen as strategic tools that provide insightful and innovative solutions, making them effective partners in organizational decision-making by forming a specialized team from different departments to prepare a deep analytical study to assess the current situation and determine Effects of the crisis on the institution, providing advice to the public administration, and providing an integrated plan with clear procedures for what needs to be done. By creating work paths that include all the activities of the institution so that short-term plans are prepared to facilitate their follow-up, creating a control panel to continue the workflow and the factors that affect it, and mapping the threats and opportunities that help in developing the plans. Employees are the most important assets of the organization, so their health and safety must be preserved, by reviewing the new work arrangements to become more flexible and providing psychological support to employees at risk of infection, as well as employees who need to stay at home for other reasons related to the new Coronavirus

4-2. Technology

Technology is very important at present to achieve the requirements of leading banks in facing the challenges posed by the health crisis, and therefore various departments such as customer management and service management must know how to use modern technology to ensure the continued provision of remote banking services. The Information Technology Department should hold introductory workshops on how to use modern technology to provide services remotely and prepare a rapid response plan for any emergency (Tatuev et al., 2020). It also requires the creation of digital methods to present ongoing transactions that are difficult to provide remotely, such as clearing. By ensuring that employees have the skills to work from home, and by ensuring that the bank's IT infrastructure can support the remote work feature through a licensed VPN to enable employees to continue working. This will allow employees to access network drives from home as well as log in to their computers to work from home, taking into account ensuring privacy and security policies for data and employees under international standards and determining the powers of employees to use their accounts remotely to ensure the safety of bank databases.

4-3. Communication

Banking has a global character that requires extensive coordination at the international level, and therefore it is necessary to work under the umbrella of the global financial system, which is currently supervised by the Financial Stability Board and the Basel Committee for Banking Supervision (IMF, 2020). In light of this, the bank's management should develop an effective communication strategy as part of the general business plan in the bank, which works to enhance communication between banks and external observers to provide the necessary information on liquidity and creditors' positions to achieve financial integrity, so that a network link that focuses on facilitating communications is identified. Workers with each other, with the leadership of the organization, and with external parties. As well as preparing a control panel to monitor the rapid spread of the epidemic and its impact on the sector and the market, updating information constantly, and determining how to present it to the competent authorities, provided that it is relevant and reliable to the bank's senior leadership. Finally, the important role of the Administrative Communications Department should not be overlooked by looking at it as an

agency responsible for employee participation in the content of internal and external communication through the use of various communication channels designed to meet the needs of the organization.

4-4. Epidemic risk management

None of the economic sectors in the countries affected by the epidemic has been spared the enormous losses they have suffered and may have caused some of them to fail. Banks are one of the institutions that suffered from these losses due to the failure of some debtors to pay, but they were able to withstand the crisis and continued even to provide support and loans to the companies most affected due to their possession of the preventive reserves recommended by the Basel III Committee and made them at rates above the mandatory minimum To make the financial system more solid(IMF,2020). Since this epidemic has a wide impact on the market as a whole and is similar to systemic risks such as interest rate and exchange rate risks affecting the entire industry that should be hedged, the potential impacts of the epidemic should be included as part of the general risk analysis for banks. These measures consist in determining the potential impact of the epidemic on the core business of the bank that is most sensitive to the market, redefining the legal and regulatory requirements for the bank's functions and operations in line with the new credit rating and revised auditing standards, and making backup copies to reduce any potential risks.

5. SOME ADMINISTRATIVE PRACTICES IN FINANCIAL INSTITUTIONS DURING THE CORONA CRISIS.

The health crisis came to cast a shadow on the business sector, stopping the global economic activity and imposing quarantine as a way to preserve humanity. In light of these changes, it has become the biggest burden on managing these institutions in coordination and finding innovative solutions to save businesses in conjunction with preserving the human element. In the following table, we review the most important administrative practices taken by some financial institutions to reduce the repercussions of COVID- 19 and ensure the continued provision of services to clients in five selected regions: Gulf Cooperation Council countries (GCC), India, the United States of America, European Union, and China.

State	Administrative practices
GCC	<ul style="list-style-type: none"> • Promote e-business remotely on the stock market, and provide adequate support, and harness all electronic technologies to ensure the continued pace of business in the financial market in light of the exceptional circumstances. • Commitment to suspend the attendance of workers in financial market institutions in line with the decision of the Ministry of Human Resources and Social Development to suspend the attendance of workers in the main offices of private sector institutions. • The Emirates Central Bank has announced incentives with a total value of 100 billion dirhams to help banks operating in the UAE deal with the negative economic impacts caused by the Corona crisis. • Saudi banks have provided the necessary support to individual customers who have lost their jobs in the private sector and exempted all customers from fees for conducting financial

	<p>operations through electronic channels, and from fees for lowering the balance below the minimum, for a period of 6 months.</p> <ul style="list-style-type: none"> • The Saudi Arabian Monetary Agency (SAMA) has asked banks to review the revaluation of interest rates and other fees on credit cards, whether for existing or new customers, in line with the current low-interest rates. • Methods of payment differed in the UAE banking sector, and digital transactions via the Internet became the basis for banking transactions in banks. • Qatar Bank has decided that all banks must have 20% of workers in the workplace, and the rest of the employees work from their homes remotely.
India	<ul style="list-style-type: none"> • The Reserve Bank of India has announced a 100-basis point decrease in the reserve ratio (CRR) by 3%, starting from 28, March 2020. It was also instructed to postpone the payment of loans to the middle class for a period of three months. It also reduced the repo rate by 75 basis points to 4.4, where it was previously 5.15 at the end of 2019. • Indian banks have adjusted the human resources policy to match current conditions (such as the employee's right to receive his salary during the quarantine, and bear health care costs for injured employees). • Reassessing financial performance and profitability indicators, anticipating lower productivity, and thus reorganizing loan grant and employee incentives and redesigning appropriate compensation for loans. • Preparing a team from the Risk Management and Legal Affairs Department to prepare new work regulations that define the responsibilities and rights of employees when they work remotely.
USA	<ul style="list-style-type: none"> • The US Federal Reserve cut interest rates by 50 basis points for the first time since 2008, increased its portfolio of treasury bonds by about \$ 500 billion, and increased the mortgage portfolio by \$ 200 billion. • The International Monetary Fund announced on March 6, 2020 AD the allocation of \$ 50 billion to support countries affected by the outbreak of the Coronavirus. • The World Bank for Reconstruction and Development provided nearly \$ 6.3 billion in 2020 to support health sectors in 108 countries affected by the Coronavirus. • Some banks have implemented some regulatory requirements such as building allocations, applying accounting standards for declining assets, and adjusting classification terms. • The Basel Committee has postponed the implementation of some of the Basel (3) regulatory requirements, such as requirements for

European Union	<p>calculating liquidity ratios and capital adequacy.</p> <ul style="list-style-type: none"> • The European Union has set up a 750-billion-euro economic recovery fund to rebuild the affected European economies by borrowing money on the financial market, of which 390 billion euros are grants to the most affected countries and the rest will be provided as loans. • The Bank of England cut interest rates by 50 basis points, also worked to reduce the capital requirements for local banks, and provide support to medium and small companies by 100 billion pounds. • UniCredit Bank, Italy's largest bank, allowed workers to work from home. About a third of the bank's employees work at its headquarters in Milan going to work today. • The European Union Commission and the European Parliament have adopted a method of working after and having virtual meetings. • Commerzbank "We are working with teams divided into operational areas as important as a precautionary measure against the Coronavirus."
China	<ul style="list-style-type: none"> • The Chinese central bank has reduced main lending rates in banks by 4.05% during 2020 and has cut interest rates on medium-term loans. • Banks have implemented many measures in its branches in China, the handles and the elevator buttons are constantly cleaned. • The air conditioner is turned off. • Allows more than one and a half meters between the staff. • The employees must wear masks. • Banking and insurance institutions donated 2.7 billion yuan to help fight the Coronavirus, which involved the purchase of medical supplies totaling 2.25 million pieces, including face masks and protective clothing, distributed throughout the Chinese regions. • The Chinese banking sector contributed loans to help private sector companies resume production.

Source: The official websites of these institutions; International Monetary Fund Reports, April, June 2020; Basel Committee Report, April 2020.

6. CONCLUSION

This article reviewed the effects of the COVID-19 crisis on the administrative practices in banking sectors from an international perspective, through three main axes: The first axis: the practices and dimensions that the bank management focused on to contain the effects of Covid 19. The second axis: discussed the work prospects for the management of the banking sectors and financial institutions in light of the continuing repercussions of Corona. The third axis: Examples of some administrative practices followed by many international financial organizations and banks were used to reduce the repercussions of the Corona crisis in five selected regions: The Gulf Cooperation Council Countries (GCC), India, the United States of America, China and the European Union. Through the practices and results that were reviewed for banking systems

management in this research, we can confirm and support the integrity of internal administrative practices followed by the management of international financial organizations and central banks in achieving health protection for employees during the Corona crisis. As well as the integrity of external practices, which enabled the banking sectors to continue to provide services to clients through the use of technology and the transition to digital work that enabled those institutions to provide their services remotely. International financial organizations and banking sectors in the affected countries have also been able to contribute to limiting the damage that other business sectors have suffered, because of these banks have large preventive reserves to face crises, through temporary postponement of the payment of existing loans, and the provision of new loans to companies that have been severely affected by the epidemic.

7. Suggestions

- To face the successive economic crises that have become a feature of the times, the required role of risk management in banks should be reconsidered as a strategic partner for senior management and move from the routine role to the transformative role to be more effective to lead change.
- The Human Resources Department should review the new work regulations and systems in a manner commensurate with the nature of the health crisis and achieve the protection and safety of employees who represent the real wealth of any organization.
- Innovation and strategic direction in the field of digitization contribute to creating safer opportunities in the face of recurrent crises and business continuity so that they are flexible, smart, and innovative.

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ECONOMIC ANALYSIS OF ECONOMETRIC MODELS IN THE DEVELOPMENT OF THE FOOD INDUSTRY

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ABSTRACT

Multi-factor econometric models have been developed to increase the efficiency of business development in the food industry, production volume, household consumption costs and consumption levels. Therefore, using these econometric models, the effective (elasticity) coefficients of the factors were determined, their reliability levels were compared, and the significance level of the factor was determined.

KEYWORDS: *Efficiency, Production Volume, Consumption Rate, Sensitivity Of Factors, Elasticity, Reliability, Tightness, Econometric Forecasting, Determination Coefficient.*

INTRODUCTION

The importance of entrepreneurship in the food industry is growing due to the growing share of the private sector in the economy of Uzbekistan. But in today's pandemic environment, small food businesses and micro-firms are completely private. Our country has become self-sufficient in basic foodstuffs. However, some types of products that are not produced in the country are imported. Consequently, it is impossible to ensure the full economic development of any country without involving it in world economic relations, no matter how its economy is developed.

The possible negative consequences of the pandemic process of the economy will inevitably affect the economic development of any country. As the President of the Republic of Uzbekistan Sh.M.Mirziyoev noted, "...it is necessary to ensure the balance and stability of the national economy and increasing its share in industry, services, small business and private entrepreneurship, deep restructuring of high-tech industries and local raw materials, to produce high value-added finished products, further strengthen the country's food security and increase the export potential of agricultural products"[1].

The degree which the problem has been studied. Scientific researches of a number of foreign scientists have been devoted to analysis of the multifactor econometric models of business

development in the food industry: S. Djankov, M. Desai, R. Dennis, T. Ovaska, J. Robinson, R. Capone, S. Negi, B. Lovder [2, 3,4,5,6,7,8,9].

It was extensively described in the research among the CIS scientists O. Gogb, G. Zinchuk, M. Kisel, G. Seyalova, D. Khodos, N.E. Pavlenko [10,11,12,13,14,15].

From local Uzbek scientists B.Berkinov, I.Boboiev, O.Ismailov, K.Muftaydinov, U.Gafurov, N.Sotvoldiev [16,17,18,19,20,21] and others studied this theme.

Although the above-mentioned scientific research reflects a systemic approach to the problem under study, it shows that today the articles on improving the analysis of multifactor econometric models of entrepreneurship development in the food industry of the country have not been sufficiently studied. This determines the choice of the research topic, its purpose and specific tasks

RESEARCH METHODS

The methods of scientific abstraction, comparative comparison, data grouping, economic-mathematical modeling, correlation and regression analysis were used in the research process.

Analysis and results

Based on the trend of demand for the level of consumption of basic foodstuffs per capita, it was found that the coefficient of determination of linear functions is closely related to 3 types of products (see "Table 1").

TABLE 1 LINEAR AND NONLINEAR FUNCTIONS OF THE LEVEL OF CONSUMPTION OF FOOD BY BUSINESS ENTITIES IN THE COUNTRY [22]

№	Name of the products	Features for forecasting	R ²	F-statistics
1	Meat and meat products:			
	Linear function	$Y_{go'sht}=28,12+1,09*t_i$	0,76	44,9
	Nonlinear function:			
	-degree	$Y_{go'sht}=26,014* t_i^{0,182}$	0,46	23,2
2	Milk and dairy products:			
	Linear function	$Y_{sut}=99,8+4,5*t_i$	0,45	11,3
	Nonlinear function:			
	-degree	$Y_{sut}=88,84* t_i^{0,215}$	0,35	6,2
3	Bread and bakery products:			
	Linear function	$Y_{non}=96,9-1,39*t_i$	0,63	23,8
	Nonlinear function:			
	-degree	$Y_{non}=97,62* t_i^{-0,074}$	0,55	19,5
	-indicative	$Y_{non}=1,49*1,044^{t_i}$	0,44	15,3
	-hyperbola	$Y_{non}=87,6-414,52/t_i$	0,28	17,8

Therefore, we have chosen the regression equation for the linear function. This is because the range of determination coefficients is [0; 1], indicating the degree of linear dependence of the values of t_i and y_i . Correlation and regression coefficients and coefficients of R²-determination

were found in the econometric forecasting of consumption of certain types of food products by business entities in the country. Depending on the coefficient of determination in the model, it is possible to check whether the indicators in the model are interrelated. Therefore, the linear function obtained by the prediction can be trusted and used since the determination coefficients of a particular type of food are close to the coefficient {1}.

In particular, the most favorable function for the prognosis is the consumption of meat and meat products ($R^2 = 0,76$), for bread and bakery products ($R^2 = 0,63$).

A multifactor econometric model was developed to determine the number of business entities in order to increase the efficiency of entrepreneurship in the country. The effect of factors on this model is determined by the coefficients of its sensitivity (elasticity) through the following table ("see Table 2").

TABLE 2 THE RESULTS OF THE ECONOMETRIC MODEL OF FACTORS AFFECTING THE NUMBER OF BUSINESS ENTITIES IN THE COUNTRY [23]

Method: The least squares method

Selection periods: 2003 2018

Number of observations received: 16

Variables	Coefficient	Standard error	t-statistics	Probability
Number of business registration processes (LN_PROCED_)	0.144604	0.197495	0.732191	0.4827
The average time that takes to register - a day (LN_DAY)	-0.084383	0.087237	-0.967285	0.3587
Official registration costs (LN_COST)	-0.048429	0.066894	-0.723977	0.4875
Number of procedures regulating judicial activity (LN_EPROCED)	-0.318591	0.114337	-2.786424	0.0212
Formal costs of fulfilling the terms of the contract (LN_ECOST)	0.189020	0.091006	2.077013	0.0676
Food production capacity (LN_Q)	-0.176905	0.443211	-0.399143	0.6991
Constanta(C)	6.243916	0.334152	18.68588	0.0000
R^2	0.716283	F-statistics 3.786961		
Probability value	0.036489	Darbin-Watsonsta. 3.083		

This leads to the appearance of the following model, i.e. the state after setting the regression coefficients:

$$LN(ENTERP)_{it} = 6,24 + 0,14 * LN(PROCED)_{it} - 0,084 * LN(DAY)_{it} - 0,048 * LN(COST)_{it} - 0,31 * LN(EPROCED)_{it} + 0,19 * LN(ECOST)_{it} - 0,18 * LN(Q)_{it} \quad (1)$$

The following conclusions and opinions can be made about the factors influencing the increase in the number of business entities in the future as a result of changes in the values of indicators.

First, 2 out of 8 indicators in the model, ie the minimum capital issued on the level of sensitivity since 2014, the time and date required to resolve disputes in the courts were not accounted for by the State Statistics Committee of the Republic of Uzbekistan. Only two - the number of business

registration processes, as well as the official costs of fulfilling the terms of the contract (as a percentage of the amount of debt) have the strongest impact on business activity. A 1-day decrease in the number of business registration processes will increase the number of business entities by 0,14 points, and a 1% decrease in the official costs of fulfilling the terms of the contract will increase the number of business entities by 0.19 points.

Second, due to the reduction of the registration day (DAY) from 4 to 2 days, the number of procedures regulating judicial activity (EPROCED) from 18 to 15 days, the reduction of DAY from 2 days to 0.084 points, the reduction of EPROCED from 3 days to 0.31 points. affects the increase in the number.

In the scientific work, a linear model is proposed to analyze the state of food production in the context of sustainable economic development. The results of the calculations performed on this model are as follows ("see Table 3").

The scientific work proposed a natural logarithmic linear model that determines the volume of production of 4 types of food products in the future. Coefficients of susceptibility of factors to the volume of food production by types of meat, milk, bread and melons and vegetables were developed. We also obtained the following multifactor regression model based on the results of the calculations of the first meat production volume given in table 3:

$$\text{LN}(Q) = -38,79 + 3,87 * \text{LN}(\text{POP}) - 0,039 * \text{LN}(\text{GDP}/\text{POP}) - 0,072 * \text{LN}(\text{Epl}) - 0,033 * \text{LN}(\text{P}) - 0,14 * \text{LN}(\text{TAX}) - 0,002 * \text{LN}(\pi) \quad (2)$$

According to the results of the econometric analysis obtained on the multiplicative function of meat production, the multidimensional determination coefficient (R^2) was 0.996, indicating that the value calculated by Fisher's F-criterion ($F_{\text{account}} = 573.7 > F_{\text{table}}$) was greater than its table value.

3-ЖА/ІБАЖІ THE RESULTS OF THE ECONOMETRIC MODEL OF FACTORS AFFECTING THE VOLUME OF PRODUCTION OF MEAT PRODUCTS [23]

Method: The least squares method

Selection periods: 1999 2018

Number of observations received: 20

Variables	Coefficient	Standard error	t-statistics	Probability
	Coefficient	Standard error	t-statistics	Probability
Number of consumers (LN_POP_)	3.871227	0.575961	6.721333	0.0000
Per capita income (LN_GDP_POP_-)	-0.038052	0.034587	-1.100177	0.2912
The number of people employed in the food industry (LN_EPL_)	-0.072451	0.069922	-1.036178	0.3190
Prices of finished products in the food industry (LN_P_)	-0.032889	0.043595	-0.754425	0.4640
Tax rate set for the food industry (LN_TAX_)	-0.140631	0.094631	-1.486100	0.1611
Price index of products in the food industry (LN_П_)	-0.001893	0.010543	-0.179581	0.8603
C	-38.74758	5.335640	-7.262031	0.0000

R^2 (R-squared)	0.996238	Mean dependentvar	0.494750
Adjusted R-squared	0.994501	S.D. dependentvar	0.361608
S.E. of regression	0.026815	Akaikeinfocriterion	-4.130521
Sumsquaredresid	0.009347	Schwarzcriterion	-3.782014
Loglikelihood	48.30521	Hannan-Quinnriter.	-4.062489
F-statistics (F-statistic)	573.7166	Darbin-Watson stat.	1.789114
Probability value	0.000000		

However, the regression equation was obtained by comparing the number of free degrees and the value of alpha 0.05 with the Student's value in the table (the t-criterion is 2.0860). Also, all influencing factors t-Student criteria $t_{POP1}=6,69>t_{x_{\text{жид}}}=2,0860>t_{TAX5}=-1,47>t_{GDP/POP2}=-1,14>t_{Epl3}=-1,027>t_{P4}=-0,71>t_{n6}=-0,233|$.

Darbin-Watson statistics d_L and d_U , the significance level was calculated at $a = 0.05$ $d_{wl} = 0.60 < d_w = 1.79 > d_{wu} = 1.74$. In this model, when we check the reliability of the main influencing factors, the price index of meat product for meat production $t_{n6} = | -0,233 |$ and the cost of the finished product in the meat industry $t_{P4} = | -0,71 |$ The condition excluded from the model because the factors are lower than the value of t_{tab} :

$$LN(Q) = -35,96 + 3,579 * LN(POP) - 0,034 * LN(GDP/POP) - 0,048 * LN(Epl) - 0,114 * LN(TAX) \quad (3)$$

Fisher criterion $F = 905.4$; $R^2 = 0.9958$; $a = 0.05$ and t-Student criterion values by factors $t_{POP1}=7,16>t_{x_{\text{жид}}}=2,0860>t_{TAX5}=-1,324>t_{GDP/POP2}=-1,042>t_{Epl3}=-0,741|$ calculated. As a result, the Darbin-Watson statistic d_L and d_U , the significance level $a = 0.05$ $d_{wl}=0,60 < d_w = 1,691 < d_{wu} = 1,74$. From this model, the per capita income of the population below the value of $t_{x_{\text{жид}}} t_{GDP/POP2} = | -1,042 |$ and the number of people employed in the meat industry is $t_{Epl3} = | -0,741 |$ mode removed from the model (see "Table 4").

4 coefficients were found to be statistically insignificant and the values of 2 influencing factors were found to be significant. As a result, based on the results of the calculations of meat production in Table 4, we have the following multifactor regression model:

$$LN(Q) = -31,26 + 3,08 * LN(POP) - 0,089 * LN(TAX) \quad (4)$$

In this model, the number of consumers was found to be directly proportional and the change in tax rates to be inversely proportional. The Fisher criterion ($F = 1690.5$; $R^2 = 0.995$) was determined for this last regression model. The values of the t-student criterion by the coefficients of sensitivity (elasticity) of the factors were determined by the factors $t_{POP1}=11,84>t_{TAX5}=-2,22>t_{x_{\text{жид}}}=2,0860$, ie MAPE-13.85, TIC-0.02 .

TABLE 4 THE RESULTS OF THE ECONOMETRIC MODEL OF THE MOST RELIABLE OF THE FACTORS AFFECTING THE VOLUME OF PRODUCTION OF MEAT PRODUCTS [23]

Method: The least squares method

Selection periods: 1999 2018

Number of observations received: 20

Variables	Coefficient	Standard error	t-statistics	Probability
Number of consumers (LN_POP_)	3.080056	0.260127	11.84059	0.0000

Tax rate set for the food industry

(LN_TAX_)	-0.089084	0.040187	-2.216731	0.0406
C	-31.25664	2.579425	-12.11768	0.0000

R ² (R-squared)	0.994997	Mean dependentvar	0.4947
S.E. of regression	0.027040	Akaikeinfocriterion	-4.2455
Sumsquaredresid	0.012430	Schwarzcriterion	-4.0961
Loglikelihood	45.45535	Hannan-Quinncrier.	-4.2163
F-statistics	1690.500	Darbin-Watson stat.	1.0143
Probabilityvalue	0.000000		

As a result, the Darbin-Watson statistic dL and dU, the significance level $\alpha = 0.05$ $d_{wl} = 0.60 < d_w = 1.014 < d_{wu} = 1.74$.

The effect of the number of consumers and tax rates on the model for dairy production has been identified. For the production of bakery products, it was found that the result of the latest model will be affected by changes in per capita income and tax rates at the expense of the correct relationship.

The final model for melons and vegetables shows that the influencing factors are directly proportional to the number of consumers and per capita income, and the price of the finished product is inversely proportional (See Table 5)

TABLE 5 A LINEAR MODEL THAT DETERMINES THE VOLUME OF FOOD PRODUCTION IN THE COMING PERIOD¹

Dairy products	Bakery products	Melons and vegetables
$LN(Q) = -35,19 + 3,43 * LN(POP) - 0,071 * LN(GDP/POP) + 0,039 * LN(Epl) + 0,022 * LN(P) - 0,15 * LN(TAX) - 0,016 * LN(\pi)$; $F = 367,2$; $R^2 = 0,994$; $\alpha = 0,05$; $t_{POP1} = 2,73 > t_{x_{жад}} = 2,0860 > t_{GDP/POP2} = -1,68 > t_{TAX5} = -1,43 > t_{\pi6} = -0,75 > t_{Epl3} = 0,414 > t_{P4} = 0,236$; $d_{wl} = 0,60 < d_w = 1,54 < d_{wu} = 1,74$	$LN(Q) = 4,785 - 0,691 * LN(POP) + 0,543 * LN(GDP/POP) + 0,352 * LN(Epl) - 0,211 * LN(P) + 0,273 * LN(TAX) + 0,016 * LN(\pi)$; $F = 41,7$; $R^2 = 0,95$; $\alpha = 0,05$; $t_{GDP/POP2} = 3,07 > t_{x_{жад}} = 2,0860 > t_{TAX5} = 0,82 > t_{P4} = -0,73 > t_{Epl3} = 0,702 > t_{POP1} = -0,53 > t_{\pi6} = 0,35$; $d_{wl} = 0,60 < d_w = 1,64 < d_{wu} = 1,74$	$LN(Q) = -39,12 + 4,16 * LN(POP) + 0,241 * LN(GDP/POP) - 0,45 * LN(Epl) - 0,453 * LN(P) - 0,242 * LN(TAX) - 0,058 * LN(\pi)$; $F = 310,9$; $R^2 = 0,993$; $\alpha = 0,05$; $t_{POP1} = 6,37 > t_{x_{жад}} = 2,0860 > t_{P4} = -2,038 > t_{GDP/POP2} = 2,017 > t_{Epl3} = -1,63 > t_{\pi6} = -1,598 > t_{TAX5} = -1,593$; $d_{wl} = 0,60 < d_w = 1,95 > d_{wu} = 1,74$
$\mu = (LN(Q) - LN(Q)_{хис})^2 = 0$		
$LN(POP) = 10,07 + 0,017 * T$		
$LN(GDP/POP) = 0,2695 + 0,2152 * T$		
$LN(Epl) = 6,72 + 0,088 * T$	$LN(Epl) = 7,24 + 0,0196 * T$	$LN(Epl) = 7,482 + 0,0042 * T$
$LN(P) = -0,104 + 0,156 * T$	$LN(P) = 0,097 + 0,162 * T$	$LN(P) = 0,161 + 0,144 * T$
$LN(TAX) = -1,0767 - 0,1067 * T$		
$LN(\pi) = -2,384 + 0,064 * T$	$LN(\pi) = -1,548 + 0,024 * T$	$LN(\pi) = -1,640 + 0,025 * T$
We examine the reliability of the influencing factors in these models		

<p>$t_{p4}=0,236$the condition in which the factors were excluded from the model $LN(Q)=-37,65+3,69*LN(POP)-0,067*LN(GDP/POP)-0,021*LN(Epl)-0,146*LN(TAX)-0,009*LN(\pi)$; $F=464,3$; $R^2=0,994$; $\alpha=0,05$; $t_{POP1}=4,63>t_{x_{жад}}=2,0860>t_{GDP/POP2}=-1,61 >t_{TAX5}=-1,42 >t_{\pi6}=-0,62 >t_{Epl3}=0,27$; $dwl=0,60<dw=1,57<dwu=1,74$</p>	<p>$tx_6=0,35$ the condition in which the factors were excluded from the model $LN(Q)=5,45-0,79*LN(POP)+0,53*LN(GDP/POP)+0,39*LN(Epl)-0,2*LN(P)+0,25*LN(TAX)$; $F=53,3$; $R^2=0,95$; $\alpha=0,05$; $t_{GDP/POP2}=3,15>t_{x_{жад}}=2,0860>t_{Epl3}=0,83>t_{TAX5}=0,79>t_{p4}=-0,72 >t_{POP1}=-0,64$; $dwl=0,60<dw=1,57<dwu=1,74$</p>	<p>$t_{TAX5}=-1,593$; $t_{\pi6}=-1,598$the condition in which the factors were excluded from the model $LN(Q)=-41,1+4,49*LN(POP)+0,39*LN(GDP/POP)-0,58*LN(Epl)-0,55*LN(P)$; $F=336,9$; $R^2=0,989$; $\alpha=0,05$; $t_{POP1}=6,16$; $t_{GDP/POP2}=4,26>t_{p4}=-3,94 >t_{x_{жад}}=2,0860>t_{Epl3}=-1,806$; $dwl=0,60<dw=1,44<dwu=1,74$</p>
<p>$t_{Epl3}=0$,the condition in which the factors were excluded from the model $LN(Q)=-39,32+3,87*LN(POP)-0,064*LN(GDP/POP)-0,13*LN(TAX)-0,008*LN(\pi)$; $F=618,7$; $R^2=0,994$; $t_{POP1}=9,7>t_{x_{жад}}=2,0860>t_{TAX5}=-1,72 >t_{GDP/POP2}=-1,65 >t_{\pi6}=-0,59$; $dwl=0,60<dw=1,59<dwu=1,74$</p>	<p>$t_{POP1}=-0,64$; $t_{p4}=-0,72$the condition in which the factors were excluded from the model $LN(Q)=-1,087+0,414*LN(GDP/POP)+0,22*LN(Epl)+0,406*LN(TAX)$; $F=96,5$; $R^2=0,948$; $\alpha=0,05$; $t_{GDP/POP2}=4,52>t_{x_{жад}}=2,0860>t_{TAX5}=1,79>t_{Epl3}=0,57$; $dwl=0,60<dw=1,49<dwu=1,74$</p>	<p>$t_{Epl3}=-1,806$ the condition in which the factors were excluded from the model $LN(Q)=-38,85+3,83*LN(POP)+0,401*LN(GDP/POP)-0,50*LN(P)$; $F=392,7$; $R^2=0,986$; $\alpha=0,05$; $t_{POP1}=5,67>t_{GDP/POP2}=4,06>t_{p4}=-3,43 >t_{x_{жад}}=2,0860$; $dwl=0,60<dw=1,47<dwu=1,74$</p>
<p>$t_{GDP/POP2}=-1,65$; $t_{\pi6}=-0,59$the condition in which the factors were excluded from the model $LN(Q)=-35,74+3,53*LN(POP)-0,034*LN(TAX)$; $F=1183,6$; $R^2=0,993$; $\alpha=0,05$; $t_{POP1}=11,04>t_{x_{жад}}=2,0860>t_{TAX5}=-0,7$; $dwl=0,60<dw=1,09<dwu=1,74$</p>	<p>$t_{Epl3}=0,57$ the condition in which the factors were excluded from the model $LN(Q)=0,45+0,405*LN(GDP/POP)+0,346*LN(TAX)$; $F=150,6$; $R^2=0,946$; $\alpha=0,05$; $t_{GDP/POP2}=4,59>t_{x_{жад}}=2,0860<t_{TAX5}=1,76$; $dwl=0,60<dw=1,37<dwu=1,74$</p>	

POP-number of consumers; **GDP/POP**-per capita income; **Epl**-Number of people employed in the apple food industry; **P**-is the price of the finished product in the food industry; **TAX**-the established tax rate in the food industry; **π** - is the price index of the product in the food industry.¹Calculations based on the author's development.

Sensitivity coefficients of factors influencing household consumption expenditures have been developed (see "Table 6").

We also obtained the following multi-factor regression model based on the calculation results of Table 6 of household consumption expenditures:

$$LN(IX)=2,83+1,87*LN(IO)+0,28*LN(OIS)+0,156*LN(FS)-0,287*LN(1+INI)+0,86*LN(1+IHD)+1,27*LN(1+TD)+0,65*LN(1+ITD)-2,459*LN(AS) \quad (5)$$

TABLE 6 THE RESULTS OF THE ECONOMETRIC MODEL OF FACTORS AFFECTING HOUSEHOLD CONSUMPTION EXPENDITURES [23]

Method: The least squares method

Selection periods: 2003 2018

Number of observations received: 16

Variables	Coefficient	Standard error	t-statistics	Probability
GDP growth rate(LN_IO_)	1.874571	1.467510	1.277382	0.2422
The growth rate of food production (LN_OIS_)	0.279053	0.255948	1.090272	0.3117
Average annual interest rate on short-term loans (LN_FS_)	0.155860	0.095686	1.628868	0.1474
Consumer goods price index (LN_1_INI_)	-0.287532	0.237113	-1.212637	0.2646
Household income in the form of wages (LN_1_IHD_)	0.861140	0.542438	1.587535	0.1564
Уй хўжаликларининг тадбиркорлик ва бошқа шаклдаги даромадлариHousehold and other forms of household income (LN_1_TD_)	1.278093	0.904752	1.412645	0.2006
Household income in the form of social payments (LN_1_ITD_)	0.652819	0.427550	1.526884	0.1706
Permanent population growth rate (LN_AS_)	-2.458669	1.916615	-1.282818	0.2404
C	2.833058	1.968216	1.439404	0.1932
R ²	0.699362	Mean dependentvar		-0.346477
Adjusted R-squared	0.355776	S.D. dependentvar		0.043859
Regressionst and. error	0.035203	Akaikecriterion		-3.557041
Involuntarychange. arithmeticmean	0.008675	SchwartzBaescriterion		-3.122459
Proximitytologarithmicreality	37.45632	Xanan-Quinnncriterion		-3.534786
F-statistics	2.035477	Darbin-Watsonsta.		0.919860
Probabilityvalue	0.182333			

It is suggested that the increase in household consumption expenditures is mainly influenced by the constant population growth rate and the consumer goods price index. As a result, an increase in the consumer price index by 1% will lead to an increase in household consumption expenditures by 0.29%, and an increase in the rate of permanent population growth by 1%, leading to an increase in household consumption expenditures by 2.46%. The remaining indicators significantly affect household consumption expenditures.

These indicators include the growth rate of food production (OIS), household income in the form of wages (IHD), household income in business and other forms (TD), and household income in the form of social payments (ITD) 1 % increase, reducing household consumption expenditures by 0.28%, 0.86%, 1.27%, and 0.65%, respectively.

CONCLUSION

In 2018, the minimum per capita budget for food consumption will increase by 2.6 times for dairy products, 15.2% for fruits and berries, 1.3 times for potatoes, or 13 times for meat according to rational medical standards. , 3 percent, melons 41.9 percent, fruits and berries 11.1 percent, eggs 27.4 percent less. This is due to a certain decrease in the income of the population and an artificially rapid increase in prices.

In assessing the development of production in the food industry and the competitiveness of their activists: the share of key sectors of the economy in production; participation in ensuring the functioning of food and food markets in the country; credit ratio of food industry enterprises; it is expedient to use indicators to determine the level of their fixed assets and their participation in export processes.

Establishment of a stable raw material base on farms specializing in the cultivation of meat, dairy, melons and vegetables and other products in the quantities required for processing and production of high quality food products and specialized enterprises exporting a significant amount of food products, in foreign markets a targeted approach is needed to modernize them by introducing new modern foreign equipment and technologies that are in constant demand.

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EXPERIENCE OF FOREIGN COUNTRIES IN DEVELOPING INVESTMENT STRATEGIES

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ABSTRACT

The article provides a comparative analysis of the experience of foreign countries in developing investment strategies. Proposals for the use of foreign experience in the development of investment strategies have also been developed. The investment strategy for the analysis of investment projects, their financing, increasing their competitiveness should combine all these private strategies and programs into one investment system. In such a situation, it is important to analyze the accumulated world experience, during which it is possible to identify the most important achievements in the field of investment policy and then apply them in the development of your effective model.

KEYWORDS: Globalization, Strategy, Sharp Acceleration, Efficiency, Investment.

INTRODUCTION

The sharp acceleration of globalization in the world economy is due to the existence of a serious and close relationship between investment and economic growth. However, this is important not only in terms of the volume of investments, but also in terms of national interests with their quality and placement efficiency. This ultimately determines the degree to which investment attractiveness contributes to social reproduction.

One of the important conditions for ensuring economic growth is a balanced investment policy of a strategically oriented state aimed at maintaining economic growth and political stability in the long run. In the face of intense global competition and unstable economic conditions for any country, the need to develop its own unique investment policy is inevitable. The whole process of development of the national economy and its socio-economic results show the need to develop investment strategies. In such a situation, it is important to analyze the accumulated world experience, during which it is possible to identify the most important achievements in the field of investment policy and then apply them in the development of your effective model.

The Main Part

In terms of developing investment strategies, developing countries can be divided into several groups.

1. Developed economies (South Korea, Taiwan, Brazil, Mexico, China, Russia, etc.) that aim to reach closer to the level of the world's leading post-industrialized countries in terms of scientific and technological development and GDP per capita [1].

The strategy of these countries includes a large share of investments (up to 40%) in GDP in the development of their technologies based on the use of high technologies purchased from advanced countries and the promotion of modern education and science. In historically short periods of time, these countries have sought to appeal to the advanced countries of the world in terms of overall and technological development. Some of them have already been successful - Singapore, Finland, Ireland and South Korea are among others, and they, along with developed countries, have introduced per capita GDP, quality of life and their own high technologies.

2. Developing (medium developed countries), developing in terms of raw materials, labor, organization of the industrial sector of the economy, GDP per capita growth and living standards and quality of life (South Africa, Chile, Czech Republic, Slovenia, Hungary, Estonia, etc.) [2].

This group includes states that do not have special ambitions in the geopolitical plan, consume Western technologies and do not claim to develop independently. The strategy of these countries can be defined as the development of a consumer society (the past stage of developed countries) and Western democracy.

3. Countries with low development of human capital and pre-industrial economy. This group of countries lags behind developed countries in their development and does not have realistic development strategies that can make a difference [3].

When talking about the role of the state in investment development, some options of investment strategy should be considered. From the point of view of the state's investment strategy, it is expedient to consider the following three models (Table 1).

This classification is an attempt to systematize the experience of countries with market economies. It is also important that all of these models are very successful, so it is necessary to consider the conditions for their implementation in order to develop an appropriate strategy of investment policy in countries in transition.

In the first model, "tax incentives for private investment are a key element, while the second focuses on public funding of private projects. The third focuses on coordinating the decisions of private investors and developing mechanisms to encourage investment in human capital.

The typology of countries according to the model of investment strategy is used as a methodological method in the analysis of capital attraction policy worldwide. However, given the importance of one or the other national identity, it is very difficult to separate a single tool to take any action, as there are differences in the tools used and predictions of their consequences, even in countries like these.

TABLE 1 MODELS OF FOREIGN COUNTRIES IN THE DEVELOPMENT OF INVESTMENT STRATEGIES IN THE COUNTRY [4]

Feature marks	Models		
	U.S.A.	Japan	Taiwan
Goal	Attracting a high level of private investment	Efficient use of public and private investments	Activation of private investment to increase export potential
Main idea	Tax organizations for private investment	Public funding of private investment	Public infrastructure that coordinates private investment
Conditions of implementation	The leading role of the Stock Exchange in the developed market of securities	A strong private sector is a strong public office	Advanced system of private exporting firms
The role of the state	Investment in information supply infrastructure	Control over the banking system. Mobilization of funds that in the hands of the public. Preferential provision of investment resources to private corporations	Financing of design and construction institutions related to the production of new technologies. Preferential lending to private investors
Shortcomings	Lack of fund incentives and impossibility of rapid fundraising	Politicization of investment planning processes	Export-oriented investment potential for the domestic economy

It should be noted that attempts to borrow from models without an appropriate institutional framework lead to complete failure. An example of this is the Philippines, which announced the goals and methods of its investment strategy in the late 1970s and is largely derived from the Japanese model. Subsequent results showed that the Philippines did not become the economic “dragon” of Southeast Asia. On the other hand, the government has been actively pursuing the option of encouraging investment through unprecedented tax breaks. From the European experience, the experience of East Germany has shown that measures to create favorable conditions for investment do not lead to success. Therefore, the selection and application of the model of state regulation of investment activities should include a mechanism based on the strongest aspects of the national economy, taking into account the specific characteristics of the region, the economic, legal and institutional tools needed to create a favorable investment climate.

The investment strategy for the analysis of investment projects, their financing, increasing their competitiveness should combine all these private strategies and programs into one investment system. The investment strategy is inextricably linked with the general strategy of the state, innovation strategy and other private strategies, and serves as their ideological and financial basis. At the international level, the investment attractiveness of countries is assessed by international institutions, organizations and world rating agencies on important indicators, including financial

indicators, the level of corruption, the crime rate of a country and its credit ratings, human potential, economic freedom and more.

In order to have a high international investment rating, a country must ensure the stability and efficiency of the state and its economy.

At the country level, the investment strategy addresses the issues of selection and financing of priority sectors, enterprises, socio-economic development, institutional development, infrastructure development and the formation of civil society. The presented countries are solving the problem of building an efficient and competitive economy in a historically short period of time. A similar problem, international experience (Japan, South Korea, Taiwan) shows that it can be solved only in the context of state regulation of the economy and with the support of developed countries (military, financial, technological, scientific, institutional, etc.).

CONCLUSION

The long-term strategy of emerging economies will be implemented gradually. At each stage of development, the state identifies priority sectors and is supported by the state in the form of various benefits. The path of development traversed by the countries of East Asia can be considered as the path of development of East Asia. The development strategies of these countries are characterized by some common features:

- The investment strategy of the East Asian countries is based on the growth of investment in the development of export-oriented industries;
- low government spending;
- low tax burden (usually less than 1% of GDP);
- very high domestic and foreign investment - up to 40% of GDP;
- Very high rates of GDP growth (6-11%);
- Orientation of the economy to foreign markets;
- High dependence on the latest technologies of the advanced countries of the world;
- high ability to innovate, etc .

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INVESTIGATING THE RELATIONSHIP BETWEEN CASH HOLDING AND RETURN ON ASSETS

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ABSTRACT

Purpose: In recent years, there is a lot of attention to keep the cash in companies in financial literatures. This interest has come up from this reality that companies have reported significant amounts of cash in their balance sheet. The complexity of economic activities and their increasing expansion and the need for providing accurate and rapid financial information have led to the development of new accounting methods. Given the importance of cash control and cash management, it is essential to study the optimal level of cash holding in companies. This study intends to investigate the relationship between cash holding and return on assets. Method: This research study is a library and scientific-analytical study based on panel data analysis. The financial data of 109 listed companies were reviewed (763 company-year). The software Eviews10 is used for analysis. Findings: The results showed that there is a positive and significant relationship between cash holding and net assets and firm performance with stock returns.

KEYWORDS: *Cash Holding, Net Assets, Tobin's Q, Return On Assets.*

INTRODUCTION

In general, assessing the opportunities and risks of business activities and the task of managing management requires an understanding of the nature of business activities, including how the entity generates and consumes cash. In fact, cash flow information can help users of financial statements to judge the amount, timing, and degree of certainty of cash flows. This information shows how the business unit is profitable and its ability to generate cash. In this regard, given that many investors pay close attention to ratios such as corporate liquidity ratios when making decisions about companies, it is important to consider whether the amount of cash held by companies, in other words, the company's policy on the amount Does keeping cash help increase the value of the company? Therefore, one of the goals of this study is to help investors in analyzing the liquidity ratios of companies. Also, the results of this study can help company managers in adopting an appropriate policy for cash management. In fact, managers can use the results of this

study and with full knowledge of the effects of adopting a policy, to develop an optimal cash management strategy.

Theoretical basis of research

The cash hold literature emphasizes two incentives to maintain liquidity: a) transaction cost incentive and b) prudential incentive. The incentive for transaction costs implies that external funds increase with fixed and variable costs. This cost segment indicates that there is an optimal level of cash and allows a company to maintain cash as a cost shield. In contrast, prudential motivation emphasizes information asymmetry, debt representation costs, and opportunity investment costs of leading investments. If the costs of making the wrong choice of external financing or the costs of financial problems are high, the company accumulates cash to finance these unforeseen deficits and to finance projects with a positive net present value (Drobets & Grunger, 2007).

One of the reasons managers maintain cash is that they are risk averse. Opportunistic managers seek to maintain more cash at the expense of stakeholders, thereby gaining operational flexibility in pursuing their goals and may even invest in projects that are inefficient. Jensen believes that with the presence of managerial theories, managers have a greater incentive to hold cash in order to have more flexibility in pursuing their goals. Since maintaining excess cash gives managers arbitrary measures to avoid capital market principles, investing in cash can have detrimental effects on the value of the company (Foroughi, Qasemzadeh, 2015).

According to Modigliani and Miller (1958) Complete Markets Hypothesis, given that companies can easily finance their investment projects at the lowest cost by going to the capital markets, cash balance and cash holdings are considered irrelevant. In this case, cash decisions are independent of the company's financial situation because companies can easily replace internal and external resources without incurring any additional costs. But based on imperfect capital markets, domestic and foreign resources are no longer a simple alternative to each other because in this case there are additional costs due to foreign financing that arise from the contract and information asymmetry problems between foreign investors and people inside the company. The cost of capital increases due to representation issues and information asymmetry (Zhang, 2011).

There are several studies that examine the indirect effect of how the cash management affects the firm's value, so how to manage internal funds is an important decision in the conflict between stakeholders and managers. During the enterprise's economic growth, as the cash reserves increase, managers will decide whether to distribute cash between stakeholders, spend on internal expense, employed for foreign education, or continue to be kept. Whether or not the profit managers choose to choose between the use or retention of reserve funds, the subject is vague. Managers should compare the individual benefits of current spending with flexibility that can be achieved by holding cash reserves. Managers should measure the probability of increasing the benefits to the expense incurred due to the large amount of cash. (Rasaian, Rahimi, Hanjari, 2010). therefore, the present study tries to examine the relation between stock retention with stock returns and firm profitability.

Research background

Ward et al. (2018) in a study entitled "Investigating the relationship between institutional shareholders' regulatory motivation and the final value of cash." The results showed that the supervision of institutional investors increases the excess cash margin and with a stronger

governance structure, the economic effects of the regulatory incentive of institutional shareholders' increase. On this basis, managers are motivated to increase the resources under their control by accumulating cash and to have the power of judgment and discernment in the company's investment decisions. In the absence of institutional shareholders, company managers will pursue their personal incentives such as investing in various projects and non-payment of shareholder dividends and the accumulation of cash from cash flows in general.

Neguin (2018) conducted a study entitled "Free Cash Flow and Corporate Profitability in Emerging Economies: An Empirical Evidence from Vietnam". The results of the empirical analysis based on a sample of 208 non-profit companies listed in Vietnam in the period 2012 to 2016 showed that free cash flow seems to have a positive impact on the profitability of the listed companies in Vietnam.

Lin et al. (2018) in a study entitled "The Impact of Political Communication and Business Groups on Cash Holding Levels: Evidence from Chinese Companies" concluded that political communication has a positive relationship with cash holding levels while dependence on groups. The business has a negative relationship with the level of holding money.

Al-Najjar and Clark (2017) in a study of data from 430 companies during the period 2000 to 2009 concluded that there is a negative relationship between board size and level of cash holding. In addition, the results show that companies that have less cash. They have less representational contrast. Gann and Park (2017) in a study entitled "Management ability and cash margin value" concluded that managerial ability significantly increases the value of cash margins of the company. The results also show that the effect of managerial ability on the cash margin value of financial constraints is greater. They also concluded that the positive effect of managerial ability on cash margin value is greater in companies with higher free cash flow and lower management fronts.

Greiner (2017) in a study entitled "Study of real profit management and the level of cash holdings of the company" showed that bold real income management is boldly related to higher levels of cash holdings and this positive relationship is stronger in companies with poor leadership. The results also show that companies with poor management with bold real-time profit management and high levels of cash tend to make more future investments, indicating an effort to reduce accumulated cash and increase real assets under control.

Galli et al. (2015) in a study entitled "Cash maintenance and employee welfare" examined the relationship between employee welfare practices and the level of cash maintenance. They concluded that companies that are strongly committed to meeting employee well-being retain high cash. The impact of employee welfare standards on the level of cash retention is stronger in user companies (using more manpower), competitive, and highly mobile industries in which the workforce is of paramount importance in their business.. Galli et al. (2015) also showed that their findings are consistent with the predictions of stakeholder theory.

Leo et al. (2015) in a study examined the impact of family control on corporate cash retention policy in China. Their findings show that family-owned companies with excess control rights tend to hold high cash rather than invest or pay shareholders. They also showed that the motivation for family control through cash custody is to reduce the conflict of interest created between controlling shareholders and minority shareholders.

KeyGhobadi (2019) in a study entitled "The effect of earnings quality on the level of cash holding with emphasis on the moderating role of managers' ability". Based on this, the data of 165

companies active in the Tehran Stock Exchange in the period 2012 to 2017 have been selected as a research sample. The statistical method of this study is multivariate regression. To test the research hypotheses, the data panel model and the generalized least squares (GLS) method were used. This research is a post-event study based on the analysis of observed data. Findings indicate that earnings quality affects the level of cash holdings. Managers' ability also affects the relationship between earnings quality and the level of cash holding. Bayati and Jafari (2015) conducted a study entitled "Study of the impact of institutional shareholders on cash surplus" in companies listed on the Tehran Stock Exchange. Therefore, the research method in this study is applied in terms of purpose and descriptive correlation in terms of method. In the present study, the data required to test the hypotheses were used from the financial statements and notes of the financial statements of the member companies of the Tehran Stock Exchange. The spatial realm of the research is all the companies listed on the Tehran Stock Exchange and the cross-sectional and retrospective realm of that period is 5 years between the years 2012-2017. Has been. The required data were collected from the stock exchange site and the new Rahavard software and then the initial processing was performed on them by Excel software and this information was used to test the models in *views* and Stata software. Baron-Kenny regression method has also been used to analyze and test research hypotheses. The results show that there is a positive and significant relationship between cash surplus and institutional shareholders in Tehran Stock Exchange companies.

Gol Arzi and Fakharmanesh (2015) in a study entitled "Study of the effect of cash holdings and ownership of institutional investors on the value of the company, as well as the above relationship at different levels of institutional ownership". By testing separate research hypotheses and using regression Multivariate panel method for 64 companies in the period 2004-2011 was found that the level of cash holding and the percentage of ownership of institutional investors, has a significant positive effect on the value of the company (q ratio). The results also show that at all levels of institutional ownership, the level of cash hold significantly increases the value of the company. However, the intensity of the relationship between holding cash and the value of the company is higher at the lowest level of institutional ownership.

Moradi (2017) in a study entitled "Calculating the final value of cash for shareholders in companies that have consistently had excess liquidity." In this research, information of 130 companies listed on the Tehran Stock Exchange has been collected. To statistically analyze the data and perform the hypotheses of the above research, the generalized torque estimation method has been used. The results show that in companies with surplus cash, the final value of cash is lower than other companies.

Hypotheses

According to the theoretical foundations and research background, the research hypotheses have been formulated as follows:

1. There is a significant relationship between cash holdings and stock returns.
2. There is a significant relationship between net assets and stock returns.
3. There is a significant relationship between company performance (Tobin's q) and stock returns.

RESEARCH METHOD

The purpose of this research is applied research and in terms of data collection method is a descriptive research and case study. Considering the purpose of the research and considering the

nature of the subject, it is part of applied research because its results can be used in managerial decisions, investors and analysts. In this research, using descriptive-correlation method and document mining method (financial statements of companies listed on the stock exchange), the desired data will be obtained to test the research hypotheses. The method of this research is correlation-type, because the purpose of the hypothesis This type of research is used to examine the relationship between independent and dependent variables. Also, the research methodology is post-event (using past information).

Population and statistical sample

The statistical population of the study was all companies listed on the Tehran Stock Exchange between 2011 and 2017. In this study, purposeful sampling method was used to determine the statistical sample; Thus, at each stage, among all the companies available at the end of 2010, companies that did not meet the following conditions were eliminated and the remaining companies were selected for testing:

- Companies must be active during the period under review.
- Statistical sample does not include banks and financial intermediation.
- Companies whose fiscal year ends at the end of March.

Finally, after these steps, a sample of 109 companies were selected to test the research hypotheses.

Data collection method

In this research, various books, articles published in prestigious journals, and Latin articles have been used to collect data related to theoretical concepts and research literature. Content from newspapers and websites has also been used. Data related to available variables are extracted from corporate financial statements. After selecting the sample, it was analyzed using independent, dependent and control variables using multivariate regression and 10Eviews software.

Research model

According to the theoretical framework and background of the research, the research model is multivariate regression. Therefore, a regression model has been used to perform the test following the research of Chan et al. (2019).

$$RET_{l,t} = a_0 + a_1 CASH_{l,t} + a_2 NOL_{l,t} + a_3 Q_{l,t} + a_4 ROA_{l,t} + a_5 LEV_{l,t} + a_6 MB_{l,t} + a_7 SIZE_{l,t} + a_8 SG_{l,t} + a_9 R\&D_{l,t} + \varepsilon_{l,t} \quad 1$$

Research variables

Dependent variable: Dependent variable: Return on stock (RET) :

The annual stock return is calculated as the yield of the maintenance period from time t-1 to t, expressed as Equation 2:

$$Ri_t = \frac{P_t - p_{t-1}}{P_{t-1}} \quad 2$$

Pt: stock price at time t p t t-1: stock price at time t-1 Ri: stock returns

Independent variable:

Cash Level (CASH): This variable is measured by dividing the total cash and short-term investments by net assets (total assets less cash and short-term investments).

Net Assets (NOI): is obtained through the difference between assets and liabilities to total assets.

Company Performance (Q) : The Tobin Q ratio is proposed as a variable for the value of the company and is in the form of equation 3 :

$$q_t = \frac{MVA_t + PS_t + Debt_t}{TAB_t} \quad 3$$

MVA: The market value of ordinary equity

PS: Premium Equity Market Value

Debt: The book amount of total debt

TAB: The carrying amount of total assets

Since there are no preferred shares in Iran, in calculating Q Tobin, only the market value of ordinary equity is taken into account.

Control variables

Company Size (SIZE) Obtained through the net natural logarithm of assets (total assets minus cash and short-term investments).

Ratio of market value to book value (MB) : Obtained by dividing the market value of equity by the book value of equity.

Financial Leverage (LEV): Obtained by dividing the debt-to-total ratio of assets.

Return on Assets (ROA) : Obtained by dividing the ratio of net profit to total assets.

R&D Cost : Obtained by dividing the R&D cost ratio by total assets.

Sales Growth (SG) : Achieved through changes in sales this year and last year. Chan et al. (2019)

Results of descriptive statistics research

As can be seen, the results of descriptive statistics of research variables are shown in Table (1).

TABLE 1. DESCRIPTIVE STATISTICS OF PATTERN VARIABLES *

variables	Variable names	average	mean	MAX	MIN.	Standard deviation
CASH	Cash Retention	0/156278	0/133667	0/479103	0/000266	0/067496
RET	Stock returns	0/442530	0/123000	8/103448	-0/900055	0/982519
Q	Tobin q	1/536813	1/346244	6/527550	0/499641	0/638985
NOI	Net assets	0/121610	0/108924	0/635828	-0/780968	0/136973
LEV	Financial Leverage	0/656182	0/643839	0/802704	0/147029	0/261386
MTB	The ratio of market value to book value	2/485449	1/974021	21/5096	-3/21793	7/290160
RD	Research and development costs	0/069250	0/064025	0/224300	0/000000	0/044618
ROA	Return on assets	0/092606	0/072967	0/744261	-0/977383	0/149668

SG	Sales growth	0/195612	0/149413	2/732725	-0/739613	0/378750
SIZE	size of the company	28/04479	27/84688	33/18982	24/32006	1/374870

* Source: Research Findings

As shown in Table (1), the average holdings of cash and stock returns are (0.156278) and (0.442530), respectively.

Inferential statistics

Fixed variance of error sentence (Remainder)

In this study, the hypothesis of residual variance homogeneity was tested by White 1 test. The results in Tanle (2) show that in the model, the null hypothesis that there is variance homogeneity is rejected. In other words, it can be said that in the research model, there is variance inequality. Therefore, we use generalized least squares regression (GLS) to eliminate the variance heterogeneity in the model.

TABLE 2. THE RESULTS OF THE TEST OF VARIANCE CONSTANT OF THE ERROR SENTENCE

Assumptions	F	Probability	results
Regression model	3/458514	0/0003	Inconsistency of variance of sentence error

Lack of autocorrelation of the error sentence (Remainder)

The test results show that since at 95% confidence level the probability value of F statistic in the model is more than 5%, so the null hypothesis can be confirmed in the model, so there is no reason to deny the lack of correlation between the remaining sentences. In other words, the assumption of lack of autocorrelation is an error in the model used in the research.

TABLE 3. RESULTS OF THE TEST OF LACK OF AUTOCORRELATION COMPONENT OF THE ERROR

Assumptions	F	Probability	results
Regression model	1/216804	07840/	Lack of error sentence correlation

Reviewing the significance of variables

The results of this test are shown in Table (4). After calculating this statistic, if the calculated statistic value is smaller than the table statistic, the statistical null hypothesis is rejected and the opposite hypothesis that there is a single root (meaning) is accepted. According to the results of mana test, because the P-value for all variables is less than 0.05, as a result, these research variables have been in mana during the research period and the variables are at the level of mana in each year of the research period.

TABLE 4. UNIT ROOT TEST

variables	symbol	Levin and Linnaeus test, Chou		results
		Statistics	probability	
Cash Retention	CASH	-22/4475	0/000	Stationary
Stock returns	RET	-32/2274	0/0000	Stationary

Q Tobin	Q	-30/3970	0/0000	Stationary
Net assets	NOI	-19/5300	0/0000	Stationary
Financial Leverage	LEV	-11/6979	0/0000	Stationary
The ratio of market value to book value	MTB	-24/3306	0/0000	Stationary
Research and development costs	RD	-8/40722	0/0000	Stationary
Return on assets	ROA	-15/0821	0/0000	Stationary
Sales growth	SG	-45/0763	0/0000	Stationary
size of the company	SIZE	-59/2229	0/0000	Stationary

Normality of the error sentence

One of the important assumptions about the remaining sentence is that its sentence distribution is normal. In order to test the normality of the error sentence, the Jarque–Bera² test statistic was used. According to the obtained results, the probability of Jarque–Beratest statistics in the research model is more than 5%. Therefore, in the research model, the null hypothesis that the error component is normal is accepted. In other words, it can be said that the assumption that the component of error is normal in the research model.

TABLE 5. RESULTS FROM THE NORMALITY OF THE ERROR SENTENCE

Assumptions	Jarquebra statistics	probability	results
Regression model	203/8075	08520/	Normality except error

Limer F test and Hausmann test

As shown in Tables (6) and (7), the probability of F-dimensionality of the research model is less than 5%, so the panel method is used to estimate the model. And considering that the probability of Hasman's test of the research model is less than 5%, so the fixed effects model has been used to estimate it.

TABLE 6. RESULTS OF F-LIMER TEST

Research model	Statistics Type	Amount of Statistics	Degree of Freedom	Probability	results
	Statistics F	077620/69	(763/109)	0/0000	Panel
	Chi-square statistics	767487/336	109	0/0000	method

TABLE 7. RESULTS OF HAUSMAN'S TEST

Research model	Statistics Type	Amount of Statistics	Degree of Freedom	Probability	results
	Chi-square statistics	83/4458	11	0/0000	Fixed effects model

Testing hypotheses:

According to the results visible in Table (8) and according to the obtained F-statistic (43,095) and its error level (0.000), it can be said that at the level of 99% confidence, the research model has a high significance. Is. Also, according to the adjusted coefficient of determination obtained for the

model, which is equal to 46%, it can be said that in total the independent variables and research control explain more than 46% of the changes in the dependent variable. In addition, considering the value of Watson's camera statistic, which is equal to 2.033, it can be stated that there is no first-order correlation between the residuals of the model.

TABLE 8. RESULTS OF RESEARCH MODEL ESTIMATION *

variables	Variable names	Variable coefficient	Error level	Statistics T	Probability
CASH	Cash Retention	004436/0	0/001666	2/66217	0/0079
NOI	Net assets	799709/0	0/401410	1/99225	0/0467
Q	Q tobin	235192/0	0/035630	6/60088	0/0000
RD	Research and development costs	627868/0	0/676162	0/92857	0/3534
ROA	Return on assets	005443/0	0/001142	4/76474	0/0000
SG	Sales growth	330682/0	0/060122	5/50020	0/0000
SIZE	size of the company	015326 / 0-	0/026103	-0/58712	0/5573
MTB	Market value to book value	000145/0	0/003335	-0/04349	0/9653
LEV	Financial Leverage	079435 / 0-	0/032071	-2/47688	0/0135
C	Fixed coefficient	334226/0	0/683475	0/48901	0/6250
F-statistic (P-Value)		(43/0957) 0/000			
R- Squared		0/4639			
Adjusted R- Squared		0/4531			
Durbin – Watson Stat.		2/033			

* Source: Researcher Findings

The purpose of testing the first hypothesis is to investigate the relationship between cash holdings and stock returns of companies listed on the Tehran Stock Exchange. According to the results obtained in Table (8), from estimating the research model and the coefficient of cash holding variable (0.004436) and its error level (0.0079), it can be stated that at the acceptable error level of 5%, the cash holding variable has an effect. It has a positive and significant effect on stock returns.

The purpose of testing the second hypothesis is to investigate the relationship between net assets and stock returns of companies listed on the Tehran Stock Exchange. According to the results obtained in Table (8) from the estimation of the research model and the net variable coefficient of assets (0.799709) and its error level (0.0467), it can be stated that at the acceptable error level of 5%, the net variable of assets has a positive and significant effect on It has stock returns.

The purpose of testing the third hypothesis is to investigate the relationship between Q Tobin and stock returns of companies listed on the Tehran Stock Exchange. According to the results obtained in Table (8) from the estimation of the research model and the coefficient of variable Q Tobin (0.235192) and its error level (0.0000), it can be stated that at an acceptable error level of 5%, the Q Tobin variable has a positive and significant effect on stock returns.

CONCLUSION

For a long time, cash in terms of its objectivity as an indicator of continuity of activity and the ability of the company to perform operations without facing financial problems and also as a tool to take advantage of opportunities for growth and profitable investment, has been considered by users of financial statements. Creating a balance between existing cash and cash needs is one of the

most important factors in the economic health of business units and the continuity of their activities. In many fiscal decisions, securities valuation patterns, methods of evaluating capital plans, etc., cash flows play a pivotal role (Saghafi, Hashemi, 2004). Cash flow historical information can assist users of financial statements in judging the amount, timing, and degree of certainty of future cash flows. This information indicates the relationship between the profitability of the business unit and its ability to generate cash and thus determines the quality of the profit earned by the business unit. In addition, analysts and other users of financial information often formally or informally use models to evaluate and compare the present value of a firm's future cash flows. Cash flow-related historical information can be useful to control the accuracy of past valuations and show the relationship between a single business activity and its receipts and payments. Therefore, the purpose of this study is to investigate the relationship between cash holdings and stock returns. The test results showed that there is a positive and significant relationship between cash holdings, net assets and Tobin's q with stock returns. Transferred to other persons or institutions in order to use the goods and services they need; Therefore, many accounting measurements of cash return are based on past, present and future expectations. Investment income is usually measured in terms of the net cash that is expected to be raised from the investment. Expenses are also usually measured on the basis of cash paid for the acquisition of the goods and services used by the for-profit unit. Under accrual accounting, a portion of future cash receipts or payments can be allocated to the current period or a portion of past cash receipts or payments can be transferred to the current period or future periods.

It is suggested that in evaluating cash holdings, the company's profitability and profitable operations should be considered to define a management mechanism to make the most of cash holdings while increasing shareholder wealth and real returns. For future research, heterogeneous profit changes are suggested. Examine changes in profitability with corporate financial crisis, as well as managerial authority and risk-taking with cash retention.

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THE IMPACT OF LABOR MIGRATION ON THE ECONOMY

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ABSTRACT

This article discusses the theoretical approaches to labor migration, the causes and consequences of migration, regional characteristics, influencing factors, its impact on the labor market, the economy, the development of labor exports.

KEYWORDS: *Migration, Labor Migration, Migration Processes, Remittances, Donor And Recipient Countries, Human Capital, Labor Import And Export, Migration Policy.*

INTRODUCTION

Labor migration is an integral part of the labor market. In the context of economic liberalization, migration flows began to be diverted from one region to another. Labor migration not only provides certain benefits to donor and recipient countries, but also poses some challenges.

Migration processes have been the subject of research by representatives of various economic schools. Proponents of the neoclassical approach, which recognizes that everyone receives and consumes a limited product of their labor, recognize that the emigration of highly skilled workers can worsen the economic situation of exporting countries.

According to the theories of classical scholars E. Ravenstein, A. Luyuns, J. Frey, G. Ranis, and neoclassical J. Harris, M. Todaro, excess labor resources migrate from limited areas with low productivity to developed urban areas. Unlike classical theories, proponents of the structural concept interpreted migration as political and economic inequality between different actors (countries, regions, enterprises, individuals). At the same time, somewhat stronger subjects determine the direction of movement of the migratory flow in their favor [9, p. 489-490].

New theories have emerged regarding the characteristics of labor migration in transition economies that are shaping market economies. For example, research at the macroeconomic level has identified factors that encourage employers to hire foreign labor.

The Main Part

Factors that exist in the country of immigration, such as the difference between expected income, the opportunity to find a secure job, and then obtaining a residence permit, are also serious incentives for emigration.

The foreign labor force increases the demand in the labor market in a certain qualification segment of the country, ensuring the survival of enterprises that are under competitive pressure and have limited capital to finance projects and invest.

According to the calculations of the Russian economist V. Supyan, labor migration is also beneficial for the receiving party. He cites the following: In the mid-1990s, there were more than 11 million immigrants in the United States. They earned an average of \$ 240 billion a year, of which \$ 90 billion was returned to the budget as taxes. During this period, the state spent \$ 5 billion on social programs for immigrants [13, p.72]. These calculations suggest that the economic benefits from immigrants, including labor migration, are high.

According to American economist Dj. Borges, unskilled immigrants will be an overload on the social sphere of the host countries [7, p.444].

It is also impossible not to appreciate the intellectual contribution of immigrants in the field of science, art, medicine and other creative work in the countries they visit. Many migrants are also returning to their home countries, enriching their international experience in the labor market and increasing the intellectual potential of their home countries. People earn more than they do in their home country while working abroad. In this way, in addition to providing for their families, they often have the opportunity to raise initial capital to run their own business and run a business in their home country, that is, to earn income from entrepreneurship in the future. For example, Uzbekistan, Tajikistan, Ukraine, Armenia, and Moldova are among the countries that receive the most remittances from Russia, with 25 percent of migrants sending home \$ 100 a month and 12 percent sending \$ 150 a month. Their average monthly salary is \$ 180 [5, p.67-68].

In 2006, remittances to Uzbekistan amounted to \$ 2 billion (10% of GDP) [8, p. 31]. In 2018, this figure amounted to \$ 3.8 billion, while in 2019 the volume of international remittances from the population of Uzbekistan amounted to \$ 5.2 billion. Of this amount, the population sent \$ 4.5 billion in international remittances to Uzbekistan from foreign countries [11].

In many countries, remittances from migrants are an important part of the economy. For example, in Jordan and Yemen, they account for 10-50 percent of GDP. In Bangladesh, Egypt, Morocco, Pakistan, Sudan, Sri Lanka, Turkey it is 25-45% [4, p. 12]. It will also be possible to attract investment in the development of the economy through external labor migration, to ensure the competitiveness of the labor force at the international level.

It is important to note that the development of labor exports affects the quantitative and qualitative composition of the labor force, creates a new situation in the labor market, reduces unemployment, helps to improve staff skills, improve living standards, while labor migration has negative consequences. This is primarily reflected in the shortcomings in the social protection of citizens working abroad, as well as in the fact that they agree to unscrupulous and low-paid jobs. The vast majority of people leaving the CIS countries to work abroad, according to official data, are employed in jobs that do not correspond to their profession and field.

Hence, labor migration is the readiness to move to another place of work, to settle, and to return to a permanent place of residence from time to time, periodically or completely, in order to earn an income, improve one's economic and social status. When migrants return to their homeland, they bring with them new knowledge, experience, skills. This will increase the efficiency of the factors of production, increase the rate of growth of national incomes in the production function and the amount of income per capita. The return of specialists to their home countries, gaining experience, skills in high-tech industries of developed countries, creates the conditions for the growth of innovation and efficiency of national production.

The International Labor Organization and the International Organization for Migration define labor migrants as those who move from one part of the country of residence to another or to another country and engage in labor activity. In particular, in accordance with the International Labor Organization's Convention No. 97 of 1 July 1949 on Migrant Workers, "a migrant worker is a person who moves from one country to another for the purpose of employment" [12, p. 149].

In labor migration, there is a difference between donor countries (exporters of labor) and recipient countries (importers of labor). In general, labor migration meets the labor needs of the recipient country, while in the donor countries it serves to increase the employment rate of the economically active population.

Labor migration has a positive impact on the economies of donor countries as follows:

- labor exports improve the situation in the country's labor market, i.e., the number of redundant labor resources decreases as a result of labor migration. This has a particularly positive impact on densely populated countries (China, India, Mexico, Turkey, Pakistan);
- labor exports allow citizens of donor countries to acquire new modern skills, improve their skills, master new techniques and technologies in the recipient countries;
- export of labor is a source of additional foreign exchange inflows to donor countries and improving the living standards of family members of migrant workers;
- donor countries levy taxes to the state budget from firms whose citizens are engaged in labor activity abroad.

There is also a negative impact of labor migration on the economies of donor countries. They are as follows:

- labor-exporting countries are deprived of their labor resources, a certain part of the economically active working age population;
- funds spent by donor countries on training and retraining of migrant workers are used to develop the economies of recipient countries;
- the export of highly skilled and highly competitive labor in the labor market can lead to a shortage of highly qualified personnel in key industries of donor countries.

Labor migration has the following positive effects on the economies of recipient countries:

- the influx of labor from abroad provides a high level of mobilization and contributes to the rapid development of certain sectors of the economy;
- labor migration allows the recipient countries to save on training costs;
- immigrants develop the domestic market as they increase demand for goods and services;

- labor imports increase the competitiveness of companies and firms in the market of recipient countries because production costs are saved as a result of the influx of cheap labor;
- it will be possible to use the temporarily available funds of immigrants to finance the economies of recipient countries.

Labor migration also has disadvantages for recipient countries. They are manifested in the following:

- Increased dependence of the country's economy on foreign labor;
- The value of domestic labor in the domestic labor market decreases and the supply of foreign labor increases..

Therefore, each country has its own migration policy. In particular, special attention is paid to the quality of foreign labor from a number of countries - their education, qualifications, work experience. In Australia, for example, immigrants must have at least three years of work experience in their specialty in order to be hired.

Countries that import labor also have certain age requirements. Labor migrants are generally required to be between 20 and 40 years old. At the same time, foreign workers, including those in Sweden and Norway, will undergo a medical examination and be hired.

Quotas or financial and time constraints are imposed on the amount of labor in different countries. In Greece, for example, there are restrictions on the employment of non-Greek employees. In Ireland, migrants are required to pay a certain amount of money to start working. Receiving countries also determine the duration of employment.

Migration usually facilitates the relocation of labor activities to areas where the cost of human capital is high. American economists R.J. Ehrenberg and R.S. Smith concluded that the population would move from areas with poor opportunities to areas with good opportunities. In this process, the age and education level of the immigrant play a major role in the decision to relocate. The high level of migration activity of able-bodied youth is explained by the fact that they have more time to benefit from migration [2, p. 338, 367].

Recently, the analysis of labor migration has focused on the study of human capital as an endogenous factor of economic growth in the country. Proponents of such an approach (R. Lucas, P. Romer) conclude that the accumulated human potential is the most important factor in economic development, and that international economic migration is the result of differences in economic growth rates between countries. This is reflected in the accumulation of human capital as an endogenous mechanism for accelerating economic growth. International labor migration contributes to the accumulation of human capital among migrants.

According to the World Bank, the total number of migrants in 2019 was 272 million, an increase of 14.0 million compared to 2017. 48.0% of them are women. 31.0 percent of migrants live in Asia, 30.0 percent in Europe, 26.0 percent in North and South America, 10.0 percent in Africa, and 3.0 percent in Oceania [10].

Today, among the largest recipient countries, the United States leads with its 43 million migrant workers. They number 12 million in Russia, 11 million in Germany, and 7 million in Saudi Arabia, Canada, the United Kingdom, Spain, and France. In addition to Russia, the top five also includes

Mexico with 11.9 million migrant workers, India with 11.4 million migrant workers, China with 8.3 million migrant workers, and Ukraine with 6.6 million migrant workers [6].

TABLE-1 THE TOP 10TH OF THE NUMBERS OF INTERNATIONAL MIGRANTS

№	Country	Number of international migrants (millions of people)
1	The USA	50,7
2	Germany	13,1
3	Saudi Arabia	13,1
4	Russia	11,6
5	Great Britain	9,6
6	United Arab Emirates	8,6
7	France	8,3
8	Canada	8,0
9	Australia	7,5
10	Italy	6,3

Source: <https://www.global-migration/info/>. 2019 year

For developed countries, migration is important in providing a number of industries with the necessary labor. In France, for example, migrants make up 25 percent of construction jobs and 30 percent of automotive jobs.

In Belgium, half of the miners, and in Switzerland, 40 percent of construction workers are migrant workers. In 2016, migrants sent home \$ 600 million: India \$ 72 billion, China \$ 64 billion, and the Philippines \$ 30 billion in the top three [3].

Rising unemployment rates or the inability to find work for a long time will lead to the emergence of internal migration flows in the country.

One of the main reasons for this is the process of complex socio-economic changes in the transition to a market economy.

As Uzbekistan's integration into the world economy intensifies, the conditions for active participation in exchange in the international labor market have emerged. The analysis of data showed that in 2017, 157.1 thousand people entered the country, 177.7 thousand people left, and the balance of migration was minus 20.6 thousand people.

Compared to other regions, the negative migration balance is in Tashkent region (minus 6.2), Samarkand (minus 5.2), Kashkadarya (minus 4.0), Bukhara (minus 2.4), Surkhandarya (minus 2.3), Fergana (minus 2.1), in the Andijan region (minus 2.0) and in the Republic of Karakalpakstan (minus 4.4). A positive migration balance was observed in Tashkent (plus 14.1). The data show that 7.5 thousand people of the region in 2017 actively participated in the exchange in the international labor market. This figure is 2.0 times higher than in 2016. At the national level, this means an increase of 20.6 thousand people compared to previous years.

When analyzing the goals of migrants' departure, we can see in 2017 34.0% of them went in search of work, 49.1% went to visit relatives, 8.47% traveled, 6.0% went on business trips, and 2, 41% - for other purposes. In 2018, more than 3.5 million people of the Republic participated in the migration process. Of those, 29.87 per cent went out in search of work, 57.58 per cent to visit relatives, 2.92 per cent as tourists, 0.8 per cent on business-related trips and 8.80 per cent for other purposes.

TABLE-2 DYNAMICS OF MECHANICAL MOVEMENT IN THE REPUBLIC OF UZBEKISTAN, THOUSANDS OF PEOPLE

Name of the regions	Came		Left		Remainder of migration	
	2016 year	2017 year	2016 year	2017 year	2016 year	2017 year
The Republic of Uzbekistan	141,6	157,1	167,8	177,7	-26,2	-20,6
Andijan	5,9	6,3	7,5	8,3	-1,6	-2,0
Bukhara	6,0	6,8	8,0	9,2	-2,0	-2,4
Jizzakh	7,9	9,3	9,2	10,6	-1,3	-1,3
Qashqadarya	10,2	11,1	12,1	15,1	-1,9	4,0
Navoiy	12,1	13,0	13,7	14,1	-1,6	-1,1
Namangan	4,6	4,2	5,5	5,7	-0,9	-1,5
Samarkand	10,3	10,3	14,7	15,5	-4,4	-5,2
Surkhandarya	12,9	14,5	14,4	16,8	-1,5	-2,3
Sirdarya	5,8	7,7	7,0	8,6	-1,2	-0,9
Tashkent	19,7	18,8	25,4	25,0	-5,7	-6,2
Fergana	12,1	13,2	14,1	15,3	-2,0	-2,1
Khorezm	6,2	6,6	7,4	7,9	-1,2	-1,3
Tashkent city	18,0	24,6	14,4	10,5	3,6	14,1

Source: The data of Statistics Committee of the Republic of Uzbekistan (2016-2017 years)

Thus, labor exports as an economic resource can become one of the important factors contributing to the country's economic growth and the implementation of strategies to improve living standards.

“The positive effects of labor migration on the economy of donor countries:

- emigration significantly softens the country's labor market, ie the number of redundant labor resources decreases as a result of labor migration; especially in densely populated countries (China, Mexico, Pakistan, Turkey).
- export of labor force - a process that allows migrant workers from donor countries to learn a new profession free of charge, improve their skills, communicate with new equipment and technologies;
- when migrants return to their homeland, they bring with them valuables, money and other unique items, and therefore make various remittances;
- labor exports - being the main source of foreign exchange inflows, but also one of the ways to improve the living standards of their family members;
- donor countries collect taxes from the state budget from intermediary companies that organize the work of their citizens abroad..
- Negative consequences of labor migration (to donor countries):
- emigrant countries are deprived of their labor resources, especially those of working age;
- donor countries spend money on education and training of emigrants;
- donor countries spend money on education and training of emigrants;

- decrease in the number of qualified personnel, ie the outflow of educated and qualified personnel.” As a result, Russia loses \$ 60 billion a year [1, p. 482];
- the influx of foreign workers leads to a high level of mobilization, forms some sectors of the national economy;
- immigrants rejuvenate the age structure of the nation, as emigrants are usually young people;
- host countries save money because donor countries that send their workforce to improve their knowledge and skills are paid in advance;
- immigrants increase the size of the domestic market, increase the demand for goods and services and increase production;
- labor imports increase the competitiveness of goods, as production costs are saved with the arrival of cheap labor;
- temporarily available cash, that is, funds in bank accounts, is used to finance the economy of the host country;
- immigrants improve the demographic situation, which is clearly the case in Western European countries, as their population is old in terms of the number of elderly people, i.e., they are considered an old state in terms of age;
- immigrants are not medically insured by the recipient, etc.
- Disadvantages of labor migration for recipient countries:
- the country's economy will remain dependent on foreign labor. Especially in the service sector, trade and construction. Because with the arrival of foreign labor, the demand for domestic labor in the country decreases and unemployment increases;
- the cost of domestic labor will decrease and the supply of foreign labor will increase;
- there are various conflicts between the indigenous population and immigrants, which can lead to interstate conflicts;
- immigrants face a long and difficult adaptation in the country where they work.

In summary, there are different approaches and evaluation criteria for labor migration processes, which are taken into account in the development of state migration policy of individual countries.

Currently, the population of the Republic is actively involved in labor migration. At present, Uzbeks work in Greece, Turkey and South Korea.

In Western Europe, Israel, and the United States, 90 percent of migrant workers have secondary special and higher education, of which 7.5 percent have a degree, while in the province the figure is 1.7 percent.

The main part of the flow of labor migrants from the territory of the republic to foreign countries visited the Russian Federation. This figure was 1,200,000 in 2014 and 880,000 in 2018. The movement of migrants to Kazakhstan has intensified in 2018. This figure was more than 380.0 thousand in 2014, and in 2018 exceeded 3.0 million. The movement of migrants to South Korea reached 16.0 thousand people during the study period, and in 2018 - 20.0 thousand people. In 2014, the number of migrants to Turkey was 4.0 thousand, and in 2018 it was 38.0 thousand. One-third

of migrants were women, the majority of whom were women with secondary education aged 30-50.

One in 10 migrants going abroad for work is an economically active population, accounting for 10-11 percent of those who go abroad for work [14].

In 2018, 77.5% of remittances sent by migrants came from the Russian Federation, 6.3% from Kazakhstan, 3.7% from the United States, 4% from Turkey, 2.1% from Korea, 1.1% from Israel, 0.7% from the UAE and 4.7 percent from other countries.

Analysis of remittances over the past 10 years, total remittances from 2009 to 2013 amounted to \$ 6.69 billion. Over the next 3 years, that figure fell to \$ 2.74 billion. This was due to the economic crisis in the Russian Federation and the devaluation of the Russian ruble in 2014. Since 2016, remittances to Uzbekistan have exceeded \$ 4.0 billion [14]. The analysis of the share of remittances in the total income by regions showed that the largest remittances in the country, ie 24.0% fell to Khorezm region, 20.0% to Andijan and Samarkand regions. The lowest remittances were in Navoi region.

Some factors influencing the development of formal external labor migration are contributing to the intensification of this process. They are:

- lack of experience in access to global labor markets;
- relatively low competitiveness of the Uzbek labor force, the unique value of the labor markets of developed Western Europe and the United States for labor migration in Central Asia (limited immigration policy in countries that attract more migrants);
- relatively low quotas for employment abroad under contracts and agreements.

So, while the export of labor force of our country is higher than imports, it is necessary to intensify this process. Currently, migration processes in the country help to eliminate unemployment in some regions, fill the consumer market with goods and services, support economic and labor relations between the CIS countries, to achieve a certain balance of supply and demand in the local labor market.

By the Decree of the President of the Republic of Uzbekistan No. 3839 of 2018, a fund for the support of persons working abroad and the protection of their rights and interests was established, which was allocated 200 billion soums. Currently, a system for protecting the legal, social, labor interests and rights of migrant workers, their immediate repatriation, if necessary, is being created in foreign countries, where citizens go to work the most. With the help of the Fund, established in 2018, about 200 of our citizens, who violated the administrative legislation of Russia on migration and remained in special centers of internal affairs of this country for a long time, were repatriated and measures were taken to ensure their employment.

CONCLUSION

In addition, negotiations are underway to obtain a patent for the right to work in Russia, to organize its issuance in Uzbekistan in connection with the extension of its term, and to develop labor migration in Japan, Eastern and Central Europe and the Middle East.

Thus, one of the main issues today is to provide social protection and guarantees to citizens who leave the country to work abroad and earn high incomes.

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